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Palestinian Affairs

PLO 'Acceptance' of Joint Delegation With Jordan

JN3007170391 Manama WAKH in English 1600 GMT 30 Jul 91

[Text] Dubayy, July 30 (GNA)—A United Arab Emirates [UAE] newspaper has reported that the PLO forwarded its response to Cairo in regard of Egypt's proposals on means of pushing forward the Middle East peace process, including freezing Arab economic boycott against Israel if the latter stops erecting settlements in the occupied lands.

Daily 'AL-BAYAN', published here Tuesday, said the PLO response included the acceptance of the organisation to participate in a joint Jordanian-Palestinian delegation in the peace conference.

The newspaper went on to say that the form and names of the Palestinian delegation were specified, adding that the proposed names are from the occupied Gaza Strip and West Bank, Latin America, United States and Europe.

'Abd-Rabbuh Appeals for Superpower 'Guarantees'

LD3107001891 Algiers Voice of Palestine in Arabic 1702 GMT 30 Jul 91

[Text] In Tunis, brother Yasir 'Abd-Rabbuh, member of the PLO Executive Committee, announced that the organization has asked the American-Soviet summit to provide international guarantees to be certain that the purpose of the peace conference is the complete withdrawal from the occupied territories, including Jerusalem, and the right of the Palestinian people to self-determination.

He said that the Palestinian leadership has stressed the need for a Palestinian delegation consisting of Palestinians from inside and outside, foremost with representatives from Jerusalem to participate, because there cannot be a conference without the holy city and that it is the Palestinian leadership which determines the formation of that delegation and would not accept any Israeli interference in this matter under any pretext.

Abd-Rabbuh said the PLO may study the practical forms of any Palestinian participation in the peace conference in light of the positive responses it receives on these matters.

PLO Statement on Not Relinquishing Holy Places

JN3007191991 Baghdad INA in Arabic 1806 GMT 30 Jul 91

[Text] Amman, 30 Jul (INA)—The PLO has declared that it will not commit the sin of relinquishing the Islamic and Christian holy places, particularly holy Jerusalem, or the Palestinian people's legitimate national rights. In a statement distributed by the PLO's Information Office here today, an official PLO source noted that many recent statements and criticism sought to pressure the PLO to become a bait to cover the current settlement process.

The source said that the strange thing in these statements and criticism is that they forgot that the ongoing plot was aimed at excluding holy Jerusalem and its sanctities as a topic and in terms of representation. In addition, the plot aimed at liquidating the cause of the Palestinian people and their legitimate political and national rights, contrary to what international legitimacy and resolutions stipulate.

The source reiterated that the PLO had never been against positive initiatives or against a just settlement and peace.

[Amman Radio Jordan Network in Arabic at 1500 GMT on 30 July reports that Yasir 'Arafat had rejected Saudi King Fahd's call for him to "accept a compromise solution to Palestinian representation in the Middle East peace talks." Citing a Palestinian official, the Amman Radio Jordan report adds that the Saudi king "informed the Palestinian president that if accepted, Saudi Arabia could resume dialogue with and aid to the PLO."]

PLO Spokesman—No Concessions Over Jerusalem

LD3007225291 Tunis Tunisian Republic Radio Network in Arabic 2100 GMT 30 Jul 91

[Text] The PLO stressed today that it will not accept any concessions in form or content in relation to Jerusalem. A Palestinian spokesman said in a statement reported by the Palestinian news agency WAFA in Tunis today that despite the organization's support for the constructive peace initiative, it will not commit the crime of renouncing the Islamic and Christian holy places or the national rights of the Palestinian people.

'Arafat on Peace Process, Palestinian Issues

JN3107094291 Amman AL-RIBAT in Arabic 30 Jul 91 p 10

[Text] Palestinian president Yasir 'Arafat has stressed that external pressure is currently being put on him to, as he put it, "sell Jerusalem and take the price." He said: We must be vigilant because the issue is now serious. Our people, the Arab and Islamic nations, and all the faithful Muslims in the world should know that the first of the two kiblahs, and the point of departure for Prophet Muhammad's midnight journey to the seven heavens [Jerusalem] and the cradle of Christ, may God's peace and blessing be upon them, are now being offered in the slave market and that the false Christians of the Western leaders are selling the blood of Christ.

In an interview with FILASTIN AL-MUSLIMAH [Muslim Palestine] magazine to be published in its 1 August issue, 'Arafat spoke about the results of the Gulf war. He quoted the U.S. ambassador to Israel as telling one of the Palestinian personalities: "It is not only the

Palestinians and the Iraqis who were defeated in the Gulf war, but all the Arabs. Therefore, you should submit to the conditions of the Israeli victor, and our task is to ease Israel's situation." He also quoted U.S. official Dennis Ross as telling the Syrian leadership during a meeting in Damascus: "Why are you intransigent? You were defeated in the Gulf war, and you know that Israel can reach Damascus in three or four hours after your strategic depth [Iraq] has been eliminated." 'Arafat deduced from this that the United States is persistently seeking to impose the results of the Gulf war on the Palestine question and the Arab-Israeli conflict.

Answering a question on the PLO's recognition of Israel's existence and Resolutions 242 and 338, the Palestinian president said: We have not yet given legitimacy to anyone. We said that the Palestinian state that will be established will give this, and there is no ambiguity in this. Let us have two states on this land in accordance with the world unanimity and based on the world's partition of our country.

'Arafat accused the Gulf states of being involved in the normalization process with Israel. He quoted the Kuwaiti envoy as saying during an OPEC meeting: "The OPEC members have no right to determine oil prices; only those who protect oil, namely the United States, Britain, and France, have this right."

'Arafat also attacked the so-called new world order which the United States is seeking to impose, and termed it as being an order to enslave the oppressed peoples and all Third World peoples. At the same time, however, he called for dealing with international legitimacy, especially since it is impossible to defy it.

The Palestinian president, who appeared pessimistic, rejected talk that the Palestinian position is weak. He said that this aims at "undermining it so it will be relinquished cheaply."

On the intifadah, 'Arafat stressed that the intifadah is still strong and escalating as the Israelis themselves admit. He admitted, however, that there had been a decrease in financial support due to the Gulf war, indirectly blaming some Gulf states which withheld their support to the PLO because of its position on the war. He said: The West Bank and Gaza Strip are drowning in economic hardships, while money is being spent on Schwarzkopf and his soldiers. The Palestinian people's losses during the crisis amounted to $12 billion.

In a pessimistic tone, 'Arafat said: The Soviet Union now ensures manpower for Israel, while the United States gives it money and weapons. Even the friends in whom we had hope have now entered the market on the side of the United States and others.

On the formation of the Palestine National Council, 'Arafat stressed that the Islamic Resistence Movement-Hamas is represented in the Council despite repeated denials by the movement. He refused to recognize the Palestinian National Salvation Front based in Damascus. He said: I do not recognize a front that bombed Palestinian camps.

'Arafat revealed that the situation of the Palestinian community in Kuwait was one of the major topics he discussed with the Iraqi leadership during his recent visit to Baghdad. An Iraqi-Palestinian committee to coordinate with the Red Cross and the United Nations will be formed to look after those Palestinians the moment they arrive, a process that is due to begin on 15 November, the date set by the Kuwaiti authorities.

On the handing in of the Palestinian weapons in Lebanon, 'Arafat reiterated that according to an Arab and international decision, new massacres against the Palestinians are necessary. He stressed that deporting the Palestinians from Lebanon is part of the Zionist scheme.

The Palestinian president concluded by saying: The region is inflamed, and the hurricane is not over yet. It will hit everyone and their interests, and it will result is imposing humiliating conditions on the Arab nation.

Al-Husayni on Peace Process, Baker Talks

TA3007182791 Jerusalem AL-FAJR in English 29 Jul 91 pp 16, 15

[Interview with Faysal al-Husayni, head of Palestinian delegation in talks with U.S. Secretary of States James Baker, by Khalid Abu-'Akr; date, place not given]

[Text] Q: How do you evaluate the current situation in the aftermath of U.S. Secretary of State James Baker's recent visit?

A: We have a difficult choice following the Syrian acceptance of the American proposal. This choice would have been better if the Syrian approval came following coordination with the PLO. The Israelis are now trying to blame the Palestinians for delaying the peace process following their reply to Baker's efforts which were considered to be "positive." They are trying to say that the ball is in our court and that the Palestinians should make their decision. I believe that we are in a position to take certain decisions. Before that, however, we must obtain certain guarantees that will define for us the content of the coming negotiations, and the content of the conference. We also need some replies from the United States on some important issues in relation to its position toward Jerusalem, to assert that East Jerusalem is part of the occupied territories, on the issue of settlement and the necessity for settlement building to be halted, in addition to making a clear commitment to the known explanations of the two security council resolutions, 242 and 338. The well-known explanation means the withdrawal of the Israeli forces from the occupied territories. We also want an assertion from the United States that it recognizes the right of the Palestinian people to self-determination, although it has a certain stand regarding the establishment of a Palestinian state.

If the United States was able to give us these guarantees, and to define its position regarding the matters we projected, I believe the Palestinians will be able to go to the peace conference with steady steps. We only demand that the United States define overtly, officially and in writing, things which do not contradict its previously declared positions.

Q: Baker clearly told the Palestinians who met him that the United States aims to bring Israel to the negotiating table by accepting its point of view in the first stage. How do you see this position?

A: It must be taken into consideration that the United States needs the approval of more than one party to participate in the peace process. Not only is the Israeli party in the negotiations important, but the Palestinian party is important as well. Answers are expected now from the Israelis and the Palestinians only after all other parties have given their answers.

A no, if voiced by the Israelis or the Palestinians, means the suspension of the process. This means we are on equal footing with Israelis, even though we don't have the armies and the capabilities owned by Israel. At this moment, due to the mature political position expressed by the PLO, we have an importance which is not less than Israel's. Therefore, although the United States wants to draw Israel into the start of the process, it is also obliged to guarantee the participation of the Palestinian party. Just as they cannot start the process without Israel, they cannot start it without us. We have our own position, we have our demands and invariable principles to which the United States should respond. If the United States responds positively, we will say yes. If not, then we still have a no ready. In this case, however, our no will be supported by the European Community, a great percentage of U.S. public opinion, and some in Israeli society.

A question we must ask is why the United States persists in the peace process? After the United States obtained most of the cards in the region, it now wants to achieve stability here. It knows well that there will be no stability without solving the Palestinian problem. No solution can be found for the Palestinian participation in the negotiations. So even though we don't have sufficient force to impose a solution, we do, however, have sufficient force to foil any solution not to our liking.

Q: Israeli Prime Minister Shamir recently declared that Palestinian representation is the only obstacle left. What form do you see this representation taking?

A: Palestinian representation is a problem created by Israel. The Palestinian representation should be a delegation to negotiate with the enemy. Israel wants to send a delegation to negotiate with the Palestinian enemy. As we have no right to object to the Israeli delegation, Israel has no right to object to the Palestinian delegation. It has no right as well to wait until a Jordanian- Palestinian delegation is formed to decide whether or not it will participate in the negotiations. Israel only has to wait for a Palestinian agreement to participate in the negotiations. The issue of the delegation is a mere Palestinian matter. Any attempt by Israel to impose on us the composition of a Palestinian delegation is an illegal move and will undermine the peace process. Israel will be responsible for that. Forming the Palestinian delegation is a Palestinian matter which neither Israel nor the United States has anything to do with.

Q: It is known that the United States prefers a joint Palestinian-Jordanian delegation. Will you comment on this?

A: A Jordanian-Palestinian delegation is one of the possible formulas.

The Palestinian decision should take into consideration Palestinian interests and not attempt to satisfy any certain party. I believe the Palestinian leadership in Tunis is studying this issue at the present time. The delegation will be formed at the right moment. I don't rule out the formula of a joint Jordanian-Palestinian delegation, but this matter is totally up to the Palestinian leadership to decide.

Q: Many Palestinians believe that the conference, if held, will not be successful because it has become a goal in itself. Will you comment on this?

A: When we receive from the United States assurances of the real substance and legal basis of the conference, then they will hear a yes from us. Then it will become clear who will be members of the Palestinian delegation, and what form it will take. This is the issue deterring the process now.

Q: You submitted a number of maps to Baker detailing Israeli settlement activity. Will you comment?

A: We demand from the United States an assurance that the settlement activity and confiscation of land will be suspended forever with the start of the peace process. Israeli control of land and resources should be lifted with the start of the temporary autonomy arrangements and be given to the Palestinian authority. We also believe that this authority should have the right to cancel the decisions previously taken by Israelis, a way that restores Palestinian land to its original condition.

We presented the maps to the secretary in order to make it clear how the geographical situation has been changed to Israel's favor, as well as the plans to make the West Bank into three sectors, surrounded by Israeli-controlled areas and supervised from within by an Israeli military presence. We said that this situation should stop.

I presented the maps to Baker and asked him if he can stop the settlements if the peace process started, and if he could promise to have the acts already done to the land canceled. I told him that if he could do that, then we can start the process. If not, then he should declare it immediately. I also told him that we are not here in an

academic conference but in a historical process. I asked him for a clear promise that the settlement policy would stop.

Q: What was his reply?

A: He said that the U.S. position toward settlement is clear and well-known. The United States desires to stop settlements, but I cannot speak in detail on this issue. I cannot say that I received a positive reply or even a negative one from Mr. Baker.

Q: Some differences among Palestinians appeared regarding your meeting with Baker. What is your reaction to this?

A: It is a healthy sign in any society to have differences. Although we have many points of view, we are still capable of maintaining national unity. It is acceptable to have constructive and positive criticism in which every party can express its opinion. In the end, however, such differences should not lead us into internal conflict, because it would distract the attention of our people from the task at hand.

Editorial Says Shamir Must Choose Land or Peace

TA3007182191 Jerusalem AL-QUDS in Arabic 26 Jul 91 p 9

[Editorial: "Shamir and the Equation of Land and Peace"]

[Text] In an interview with Israeli television two days ago, Israeli Prime Minister Yitzhaq Shamir said that a great change has occurred in the Middle East during recent days. That change, he said, is in the interest of peace.

The great change about which Shamir spoke is represented in Syria's acceptance of the principle of direct talks with Israel. Despite that, the Israeli Prime Minister links the response to U.S. President George Bush's proposals with obtaining clarifications about the makeup of the Palestinian delegation to the talks. He wants to exclude Jerusalem's Arab residents from the Palestinian delegation, and he justifies that by saying the issue of Jerusalem is not negotiable.

In addition to Israel's insistence on excluding Jerusalem's Arab residents from the proposed Palestinian delegation, Shamir stated that the construction of settlements will not stop, even if the peace process were to begin.

Israeli Foreign Minister David Levi confirmed Shamir's positions when he told the Knesset two days ago that the Israeli Government will not stop constructing and expanding settlements during the peace negotiations.

Earlier, the Israeli Government insisted on ruling out PLO participation in the peace process, disregarded the Palestinian people's right to self-determination, and put forward its own interpretation of UN Resolution 242. Now, it insists on rejecting the participation of Jerusalem's Arab residents and refuses to halt settlement in the Arab lands occupied since 1967.

After all this, the Israeli Government says that it agrees on entering into negotiations without preconditions. What does that mean? The term negotiations without preconditions must apply to all the parties to the conflict. When the Israeli Government raises one condition after another, it becomes obvious to the world that it wants negotiations only if the Arab side does not propose any preconditions while accepting Israel's conditions.

If the positive Syrian response to President Bush's proposals has produced a great change in the Middle East's political equation and has fostered certain hopes for advancing the peace process, as the Israeli prime minister says, then why is that change met with the Israeli Government's declaration of its intention to continue building settlements in the occupied territories and with a rejection of the Palestinian people's right to choose their representatives?

The principle that enjoys unanimous international support is that of land for peace—that is, land or peace. The Israeli Government's persistence in continuing to build settlements means that it is choosing land. If Shamir is seeking an equation that guarantees him both peace and land, he has to reassess all his calculations. The equation is absolutely clear: either land or peace.

Algeria

Government, Opposition Parties Hold Conference

Ghozali's Opening Address

LD3007150891 Algiers ENTV Television Network in Arabic 1025 GMT 30 Jul 91

[Opening address by Prime Minister Sid Ahmed Ghozali to conference of government and party representatives at the Palais des Nations outside Algiers—live]

[Text] In the name of God, praise be to God, and prayers and peace be on God's messenger. I start my address with two verses of the holy Koran: In the name of God, the compassionate, the merciful: Those who avoid the greater crimes and shameful deeds, and when they are angry even then forgive; those who hearken to their Lord and establish regular prayer, who conduct their affairs by mutual consultation; who spend out of what we bestow on them for sustenance. God has spoken the truth.

Party leaders, brothers and sisters: You will recall that as soon as I was appointed and I began to think about forming the government, I was eager to meet you and to meet the largest number of representatives of the national associations and popular organizations, and also a number of national figures. I told everybody my government would be one of dialogue and openness. I apprised you of the fundamental task of this government; namely, at the political level, providing conditions for the Algerian people to choose, for the first time in their history and under the umbrella of plurality, a national assembly that represents them, a true representation through free and honest elections.

This was a commitment that I officially expressed frequently to the public and to the deputies of the National People's Assembly. I told you that I am very eager to bring about this goal and to take the necessary steps, within the framework of dialogue and consultation with you, to arrive finally at an electoral arrangement that will be agreed on and not marred by any defect in the mind of any Algerian citizen—particularly anything that concerns the freedom of elections and its truthfulness. I pointed out to you that by the time I finished forming the government and approved its agenda, I would come back to you to hold a dialogue, and this dialogue would not be confined to delivering speeches. On the contrary, it must be tangible and practical. The government has been formed and you noticed that I strove to make it independent of the parties. Its ministers are not entitled to contest the elections, and these were other guarantees about the sincerity of our intentions.

In all my contacts with you, I noticed that all of you were interested in holding a dialogue; you considered it necessary and needed. On the one hand, it is a dialogue between the government and the the political and civil community; and on the other hand, a continuous contact between the government and the people. Now we are once again together to shape this joint will, which was the will of all of us. I thank you for coming. I must express my satisfaction over this meeting, which prompts me and the government to prefer constantly to discuss all matters that preoccupy the mind of the whole nation.

It was perhaps useful to repeat the statement in all simplicity, but with force. Our aims are simply those that we announced during our consultations before forming the government; they do not encompass any preconceived intentions or any preconditions or exclusions. Some parties did not attend, and while we respect their decision, we reiterate that we are always ready to meet them at any opportunity in the future, God willing.

I said there was no other intention or aim, and the best proof of my good intentions will be the method that I will always adopt in dialogue with you. So far as our present meeting is concerned, ladies and gentlemen, please understand that I did not come here with any idea to make you shoulder the responsibility for the situation inherited by the government or to extract an approval for this government's work. The members of the government and I shoulder our responsibilities in solidarity because the program, which was approved by the National People's Assembly, is the fruit of our conviction and the expression of a plan we conceived and which embodies our desire to find solutions for the serious problems of our country.

Ladies and gentlemen, we are getting closer to you and addressing you for no reason other than that we believe you are like us and that we are like you. We derive our action together from the spirit of sacrifice, dedication, love for the homeland, and the sincere commitment to our country and our people, to its vital interests, and to the love for our dear homeland.

In other words, my government attaches the utmost importance to what has been lacking so far in our Algeria; namely, permanent and full contact among all Algerians. My resoluteness will not weaken and my determination to make tireless and continuous efforts will not diminish in order to deepen and broaden this dialogue and create opportunities until all of us together establish traditions that will consolidate our actions resulting from consultations and will create a climate of understanding, mutual respect, accord, and tranquillity in our society. Today I am meeting with the parties and tomorrow with the popular organizations and the national movement of associations, and later on with representatives of the public and private economic enterprises—without any distinction—and with representatives of workers and public and private consumers. We will endeavor to make the exercise of dialogue a cultural component of our political, economic, and social life. The creation of two important posts in the government—a minister in charge of relations with the National People's Assembly and the associations, and the minister in charge of human rights—was simply in response to this will and marked a startiang point.

On this occasion, I would like to salute the representatives of the popular, trade union, vocational, and cultural organizations and associations, and also the representatives of the state-owned enterprises who accepted the invitation to this meeting.

The agenda that I gave you is only a suggestion. It goes without saying that you can add whatever you feel is appropriate. I intend to review briefly the country's financial and economic situation and explain the urgent steps my government intends to carry out to confront the great problems that face us today. Why am I doing this? According to my belief, the first responsibility of any government is to inform citizens and regularly provide them with facts that touch upon their daily lives and future, so that they can judge the government's activity negatively or positively, and also judge it accurately with complete knowledge of the facts. An expert in communications and information said: Give anyone correct information, he may err a thousand times, but he will definitely arrive at the truth; on the other hand, give anyone wrong information, and you will have destroyed his ability to think.

Ladies and gentlemen, dear brothers and sisters, democracy feeds on and blooms under different and distinctive views. Therefore, you will not see me seeking a formal consensus on everything and anything. It is equally true, however, that what constitutes a nation is everyone's adherence to principles and constants. Our country and our nation has its principles and its constants. The exchange of views that we proposed in the second item of the agenda can help us recall together the principles and constants we all share: Islam, Arabism, the Berber heritage, national independence, national unity, and social justice.

We can also discuss the creation of a political practice whose goal is to respect others, entrenching the morals of political action, rejecting violence and condemning all its forms from whatever side, especially if it is one of the forms of political expression, and spreading high morals in the public life. It is this political practice that should lead us to an effective and fruitful political multipartism. If this meeting—which is just the first one—is to make only one small step, I have no doubt that this alone will be enough to achieve another victory for our people, who are following the proceedings of our meeting and who demand that we commit ourselves fully and without reservation and that we continue on this path toward this objective.

May God lead us to more rightly guided action in the service of our country and people and their best interests. May He inspire us all to what is liable to open our hearts to compassion for each other; to consultation and cooperation in a way that opens up the horizons of our nation's future and enables us to find premises on which to formulate a vision of our national self; and to provide the conditions needed to overcome crises and open the gates of hope for a bright tomorrow and a firm renaissance.

Ladies and gentleman, brothers, let us all get used to self-respect by listening to each other, without ever tiring of listening. Thank you, and may God's peace and compassion be with you.

Ghozali Presents Economic Report

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[Speech by Prime Minister Sid Ahmed Ghozali to conference of government and party representatives at the Palais des Nations outside Algiers—live]

[Text] In the name of God, the merciful, the compassionate. On the basis of the mission with which you entrusted me, I announce the opening of our evening session. Before I review the current economic and financial situation, I have two observations to make. First, when I or the government suggested that this article be included in the agenda, we did not mean to make the parties responsible for the government's program. As I mentioned in my opening speech, this government has accepted its responsibility and applied itself and is aware of the rules of the game. We applied ourselves in order to get at least one reward. The one who tries and succeeds has two rewards, and the one who tries and fails has one reward.

Second, this chapter contains the economic and financial issues. Despite the outward aspect, however, the political issues are at least implicitly present in the review because there is a dialectical relation between the economic and political situations. I will return to this topic when I assess the political situation.

My present review contains two parts: The first third of the review is devoted to the composition of the economic and financial situation, and the other two thirds are on the work the government intends to carry out to face the circumstances for which it was formed; that is, up to the holding of the next legislative elections, God willing.

1. Some data. The main elements related to our economic and social situation are as follows: first, a decrease in the use of production capacity during the first semester of 1991, which was about 62 percent in 1990. This is due to the difficulty in supplying the production apparatus with raw materials. These difficulties result mainly from the scarcity of hard currency resources and lack of coordination in allocating them. The shortage of spare parts and insufficient maintenance and replacement work have led to the exhaustion of the production apparatus and, consequently, to the decrease of material potentialities in production. As a result, Algeria is living through a tragic moment in its history; there have been no development investments or replacement investments in Algeria for several years.

2. Offers to buy our products continue to drop. This results mainly from the following factors:

A. Foreign pressures, that is, deficit in the balance of payments, as the state no longer gives to enterprises the necessary hard currency for supplying them with raw materials and goods, which they resell as they are. The state pushes these enterprises to borrow from foreign markets in order to pay for their financing at a time when Algerian workers, banks, and enterprises (become borrowers) with their unsuccesful efforts, and this is not enough for the creation of necessary conditions for guaranteeing supplies.

B. The framework, which is liable to lead to competition and economic effectiveness, is impractical. For instance, enterprises that are encouraged to borrow to pay for their supplies are unable to avoid exchange losses; they are liable to considerable losses thanks to the continued decline in the value of the dinar, that within a period of 20 months has lost two-thirds of its value.

3. According to the true facts, the level of economic activity continued to drop for a number of years and dropped further at a rate of 2.4 percent in 1990. The level of consumption also dropped greatly by 5 percent in 1990, while the popuiation has grown by 3 percent during the same period. The standard of living of all Algerians dropped in real terms by 8 percent in 1990 alone.

4. The rate of inflation is still rising by a tangible amount. The official index of price increases has risen from nearly 10 percent in 1989 to almost 17 percent in 1990. This indicator is related to a body of commodities which are far from the consumption commodities [as heard]. Actually, the rate of real inflation is much more than the official rate.

5. The public treasury itself is strained with debts. The debts include the following:

a. 110 billion dinars to the Central Bank.

b. 50 billion dinars to the commercial banks in the form of treasury bonds or equipment bonds.

c. 30 billion dinars to enterprises and families in the form of treasury bonds and deposits, particularly Post Office current accounts and social security.

In the past, public treasury bonds were taken for granted as the primary source of inflation, so much so that the People's National Assembly set a deadline of fifteen years for payment of the deposits of the Algerian Central Treasury Bank—120 billion dinars—in the beginning of 1990.

6. On the other hand, the state has until now paid great attention to the soundness of the measures it takes, of their quality and genuine efficiency. Such acts do not only exist in public expenditure, in the exact sense of the word, this expenditure also figures in the budget documents. Moreover, the matter relates to the redistribution of revenues through various channels, which have not always been amenable to financial and administrative control, whether through:

A. Granted fiscal and semi-fiscal exemptions, or

B. Through explicit aid granted by the Compensation Fund, the budget of which will from now on exceed the budget of the state for equipment. The above-mentioned aid is determined by the prices of several categories of raw materials, which have been frozen for many years. Such aid corresponds to 8 percent of GNP in 1991, which represents a great effort, unparallelled anywhere else in the world. This increase represents a factor of distortion of the country's economic policy. We shall return to this subject later.

This year Algeria devoted 8 percent of its national revenue to subsidize prices. There is a problem facing the government here. Price subsidy has two facets, one legal and another illegal. Subsidy is supposed to benefit only the economically weak. When we subsidize bread or sugar, we subsidize the economically weak and at the same time, the citizen with capabilities and the trader who makes pastries and so forth.

C. Through tacit subsidies to energy products or to some fees for public services.

7. The reform of the price system is not sufficient, for it cannot have any tangible effect on the charges of the enterprises, particularly those in the public sector; nor can it help them improve their situation through a diversification of their activities or products; nor can they pin any hopes on the participation of the shareholders in the short term. The financial situation of these enterprises continues to deteriorate, leading to serious consequences on ways to obtain hard currency in ready money. As for obtaining hard currency through borrowing, without any possible repercussions in the form of losses in the exchange operations in the market, it leads inevitably to an extensive disruption in the financial structures of the enterprises and feeds the vicious circle in which the public and private enterprises—and ultimately, the Algerian citizen—still find themselves.

8. Taxation remains an insufficient and ineffective instrument in the country's economic and social policy. The nature of taxes and their structure do not represent national choices in terms of social justice; the tax system still lacks cadres and equipment. Consequently, the results of this system are insufficient and great efforts still need to be made in the field of legislative power; and in return, not enough resources are created. This is true as the enterprises are still burdened by debts, particularly with banks, in order to cover their payments and ensure their functioning and guarantee the value it produces.

9. What is not said is that worse situations still exist, represented in structures which also distribute much of the purchasing power in exchange for a weaker added value of the establishments. People only concentrate on establishments and forgot or pretended to have forgotten, for example, public administration. Let us remember the amount of 120 billion Algerian dinars, that is 12,000 billion centimes, distributed annually in the form of wages in the administrations, the amount of

which is still on the increase. What is the output of this in terms of production? All of us, as citizens and as officials, see how the administration functions, and we have this problem: What in terms of production or work do we get in exchange for 120 billion Algerian dinars distributed annually to the civil servants in the administration?

10. The banks' portfolios [preceding words in French—portefeuilles des banques] consist basically of the public establishments, and most of their assets will consist of the debts of public establishments that are in dire need of purging. Thus, this portfolio is perilously exposed to danger. On the other hand, the economy had little dealing with the banking system. By the end of the year 1990, 50 percent of the money supply used to slip off the banks' network as a result of the following:

A. Defective bank networks, whether at the level of geographical density or the nature and quality of rendered services.

B. The fear of using checks.

C. The existence of rampant tax evasion.

D. Lack of encouragement to save money.

E. The fact that there are complete aspects of the economy that escape completely from relations with the banking system.

This small rate of (?using the banking system) in the economy, which is coupled with the deficiency in the financial balance explained above, leads to the unlimited refinancing of the Bank of Algeria and making it the sole source for (?crediting) the economy. This refinancing has effectively quadrupled during the last 18 months, from the end of 1989 to June 1991. This shows increasing flights of capital in the financial system, banks, the treasury, and financial institutions. The unofficial sector absorbs directly any additional distribution of banknotes carried out by the Bank of Algeria.

11. The concentration of revenues has greatly increased during the last few years for the benefit of a small minority that has accumulated huge resources, not through product accumulation over time, but within a short time by means of parasitical activities and the horrible use of speculative profits. This excessive concentration, in the framework of the economic crisis, creates feelings of exclusion and social injustice, and the following derive from it: a) an increase in tax evasion; b) use of capital in secure values—gold and estates and flights of capital; and c) difficulty in establishing a social dialogue and mobilizing workers to increase productivity.

12. Balances of macro-economy. The balance of macro-economy has not been achieved. The belief that the existence of budget surplus means a sound management of the public treasury might prevail. In reality, this surplus constitutes nothing but a positive aspect in a complex and painful reality represented in the transfer of costs to the enterprises, particularly the public ones, and increased rates of deductions of compensation fees and the formal effects of the devaluation of the dinar.

13. Medium- and long-term foreign debts are about $24 billion.

As for this civil debt—and it is a convention throughout the world that when statistics deal with debts, they only point to civil debts and exclude military debts—despite the $3 million bestowed [as heard] by the Gulf crisis, external equilibria have not ceased deteriorating to such an extent that the reserves of the Bank of Algeria reached a level that currently constitutes one of the most serious problems that need immediate government attention.

I have previously informed the public clearly about the condition of our currency reserves. I shall confine my speech here to saying that the [word indistinct] reserves of hard currency are estimated at less than the equivalent of ten days of payment. This means that the sacrifices made by the nation have not prevented the profound deterioration of the financial situation as such.

The condition of Algeria's balance of payments is worrisome, because a large part of nutritional and health items is imported. In other words, it needs hard currency. The industrial and agricultural production system is characterized by excessive dependence on importing raw materials and intermediary consumer goods and equipment. Therefore, interruption in the network of foreign provision is not confined to reducing the development rate or to restricting prosperity; in fact, it forms a menace to people's material security.

14. The number of the unemployed is officially estimated at 1.2 million, or 20 percent of the workforce. However, it is certain that the number is much greater than that and exceeds 1.5 million. This level of unemployment, which increases annually at a rate of 200,000, is a main source of pressure.

Until recently, the unemployed were essentially the youth, who gradually lose hope in obtaining a job and decent housing or raising a family one day. This induces a feeling of exclusion in them and tends to eradicate the notion of existing relations between work and income. Unemployment has increased, however, not just as a result of inability to employ the young, but because adults are losing their jobs. These adults are settled in life and head of families. This unemployment has more and more dire consequences.

15. The social security fund is now recording a deficit. This is due to the rise in unemployment, which adversely affects its income, and the increase of expenses linked with the rise of family allowances, as well as the rise in health services expenses, particularly medicine.

The second part of the report concerns short-term government action. First, mobilization of fresh financial resources. Given the grave financial situation, especially in terms of exchange reserves, the government has a few weeks to mobilize fresh financial reserves to prevent the

stifling of the national economy and prevent grave harm to the material safety of the Algerian people. This is an issue of existence.

This preoccupation must not conceal the pressing need to also work toward the recovery of the level of exchange reserves. The postponement of such action can lead only to exhausting the country in a continuous endeavor behind short-term problems, a matter that would diminish or even eliminate the scope of the freedom of movement of the country and deepen its subservience.

If my government does not take actionk and is content only with honoring the dues required from it during the term it is responsible for the affairs of the country, it would then leave to the next government a worse situation than the one it inherited; that is, an unmanageable situation. This would be like a person who attempts to superficially put out a fire and in doing so creates extra pools of explosive constituents. This is what threatens us these days.

Such action cannot be undertaken by my government. As I stated before the National People's Assembly, I am against governments like those who sweep dust and dirt—excuse the expression—under the rug. I am saying this because there are so many questions asked. A number of people are saying that this government was formed for just four, five, or six months, while its program aims to keep it in power for few years. The most serious problem facing and this government is the issue of the hard currency; that is, the problem of external balances. This government can carry out a cover-up action, as they say. It can seek loans from here and there secretly or even in return for selling off the sovereignty of the country, and achieve the same situation that it inherited, thank you very much. This government will not do this. Therefore, regarding all issues, especially the issue threatening the sovereignty of the country and the destiny of society, this issue cannot be solved except through short-term, medium-term, and long-term measures.

The best way to influence the future in a negative way would be not to undertake short-term and long-term actions.

The mobilization of foreign resources should permit the covering the debt service without failure, if possible, and facing up to the fact that imports cannot be cut, especially in the food sector. Even in this respect we are faced with problems. Finally, we must get the raw materials and intermediary products [preceding two words in French—produits intermediaires] from abroad, which are necessary for the effective running of the economic apparatus and for reviving productive investment, both public and private, on useful, rational bases. The fact is there is no real wealth without production, investment, and real work. We must also provide the goods that must be distributed so that we may be able to eliminate poverty and misery.

In order to get out of this frightening logic and guarantee a decent standard of living to citizens in line with the resources of the country, the only solution is efficient work and production and a high level of productivity and investment. We must use all means to enable Algeria to alleviate the financial hold that is choking the country to the point of causing a slow death.

We must give Algeria the means to recover effectively its strength; that is, to revive its economy and renew the commitment to increasing investment and to exploit its potential resources. Among these means, we mention:

A. Resorting to financial systems of commercial and partnership type between states, or international financial institutions.

B. The mobilization of financial resources through the mobilization a priori of the export-based financial resources of hydrocarbons.

C. Acting toward the raising of the production of hydrocarbons by way of intensive prospecting operations, and, regarding known oil fileds, the use of techniques of secondary output and then the mobilization a priori of the resources resulting from these operations.

At this point allow me to voice a parenthetical remark: This is what I pointed out when I spoke to the National People's Assembly on what was called the Hassi Messaoud issue or bombshell. What was surprising was that the reaction inside the country came 11 days after I spoke about this issue at the National Assembly. The reaction came only after comments were made by the foreign press; and when I say foreign press, I mean the French. This press commented on this subject in the way it used to do whenever a issue relates to Algeria, which nationalized its oil in 1971. It was said that the head of the government proposed to sell the underground reserves, to sell Hassi Messaoud, and let the Algerian people understand that the government's project was to sell the underground reserves.

You must know that in our laws, as well as the laws of many countries including Western countries—except the United States—any wealth underground belongs to the nation. Suppose someone digs a well in his home or in his garden. If that person finds gold or oil or gas, it cannot be his; it becomes the property of the state. This is the law, and even when foreign companies used to control Algerian oil fields after independence until 1971, the situation was the same; whatever is under the earth belongs to the state. Consequently, the matter is not very far away from this idea, and my witness is the man who involved me in politics. This man is here. He told me right after independence in 1962: Specialize in oil, and you will become a famous Arab expert. You know that when we took over in 1962 and shouldered responsibilities under the orders of the leaders then, we did not know yet the technical meaning of the word oil.

The first time we learned the meaning of the word, oil had a political meaning. In 1962, I was a young engineer

and oil then meant nationalization. I worked for nine years, and in nine years we prepared for the nationalization of oil and Sonatarch [national hydrocarbon company], which was set up by decree on 31 December 1963 and signed by President Ben Bella. This was just the beginning of nationalization. Therefore, it is impossible that the generation that rubbed shoulders with oil in these circumstances is ignorant of that fact that underground resources are the mother of the state, and anyone thinking of selling underground resources was not born yet. [applause]

Second, I have touched upon this subject even though I have deliberately used a media expression. I have touched upon this subject in the context of presenting the financial situation in the country. I said: We are at a crossroads.

It is impossible for us to continue to tackle the debt issue using methods of the last six or seven years; that is, continue to borrow, thereby doubling the debt. Nor can we get out of this situation that—believe me—is not a circumstantial situation, as said by some brothers. These are not circumstantial difficulties. The country is threatened because of the situation, because of the financial imbalance. There is no solution except through the mobilization of our own resources. You, every citizen is living daily. [sentence as heard] Well, I mention the mismanagement of the economy. This is indeed a factor that affects the problems under which we are living. There are the reforms that are meant to improve the management of the economy; but what now has an effect, and which is against the country, before mismanagement of the economy, is the lack of foreign exchange. There is no medicine because there is no foreign exchange; there is no cement because the cement plants are working at a very low level; they cannot obtain products and spare parts to increase their rate of production. Therefore, we must import cement, but we cannot import cement because there is no foreign exchange.

When we consider all the country's problems, we always come up against the issue of hard currency. [one-minute break in reception] When the farmer is asked about a plot of land, be it one, two, or twenty hectares, about what it produces, he will say: It depends. If you get me water, fertilizers, and technology, I can produce 100 kantars a hectare, as is the case in the United States and Europe. But if there is no water, no fertilzers, no modern means of production... [break in reception]

It is the same with oil fields. The method of exploiting oil fields could radically alter what we could extract from them by way of resources. Let us take the issue of Hassi Messaoud, for example. It has a reserves of 5 billion tonnes. What we produce now amounts to only 20 percent of those 5 billion tonnes. If we carry on down this path, we would eventully lose 80 percent. There are new techniques which would allow us to increase the yield. If you use land in a better way, it could yield 100 kantars instead of ten.

Therefore, the government should work toward improving the percentage of profit of oil and gas products, which we know exist now but are unexploited to a sufficient degree.

At the same time, brothers and sisters, you know what happens if we recover only 10 percent; in other words, instead of exploiting Hassi Messaoud at the rate of 20 percent, if we increase the recovery rate to 30 percent, we would have gained 10 percent of the 5 billion tonnes, which equals 500 million tons or $70 billion. If we recover 20 percent, which is technically possible, the result would be similar to having discovered a second Hassi Messaoud. Twenty percent profit equals 1 billion tonnes or $140 billion; that is, our indebtedness twenty times over. I mean what we pay annually over twenty years. We pay $7 billion annually. I am talking about what we pay annually—$24 billion is the global debt.

What I spoke about within the framework of the issue of Hassi Messaoud is that our policy is first, to embark on better exploitation of these resources; and second, to use foreign workers, foreign companies—not a new concept. We had increasingly begun to deal with foreign companies after nationalization. The nationalizations of 21 February 1971 aimed at giving sovereignty and authority at the fields to Algerians, to Algerian institutions. However, the nationalizations of 1971 absolutely did not mean to exclude foreign companies. Therefore, the project consists in resorting on a larger scale to foreign companies so that they can come and help us increase production in exchange for a share in that production. If a company deals with us, thus allowing us to increase production by 10 million tonnes, I say we give it one or one and a half million. I tell the company: We will sell you it in advance, I deliver it to you over a period of 10 or 12 years. However, in my situation now as an Algerian, in order to increase the level of production at the fields, I have to wait, I have to invest and wait two, three, or may be four years, depending on the fields. The fact is that I need money here and now; I need money to save myself and my country. For that reason, we told them that in return for this share we give you, you can have oil. So that we can sell you oil in advance, you should give us a stated amount of dollars.

We can only rely on our own proper capabilities. This operation is diametrically opposed to the things said by some tendentious people about the government plan. On the contrary, this plan is based on self-reliance. Self-reliance at same time constitutes the only way to rescue the country from strangulation.

I say this for you to bear me witness, and if anyone else has another solution, let them go ahead. What I have come to tell you only expresses my own conviction. Should there be other means, let us try on them. We are ready to implement them.

It is not hastiness, it is not hastiness, as it was said. It is not hastiness to face up to a temporary situation. The situation is not temporary; the situation is very grave

and the solution lies in this method and not in any other; otherwise, we would have to reschedule debts and suffer the tragic consequences: the loss of sovereignty, more unemployment, rising prices, and so forth.

This is the bombshell of Hassi Messaoud and, God willing, I will have the chance to talk to the people about the truth of this situation. This is a project prepared to confront a serious situation, and in any case it will not be implemented except through law, after the issuance of new law. Therefore, it is not one of the projects that could be secretly implemented.

Brothers and sisters, when we talk about the country's sovereignty, we must not be wary of people who have worked for 15 years to ensure the flow of gas. Extreme caution, though, must be used against circumstantial operations. Someone who tries to cover up by stirring up dust and in order to solve the question of debts tries to ask for money or borrow money even at the expense of national sovereignty.

Second, the balances: Here we come to the end of the parentheses, the domestic equilibrium, the cleansing of the enterprises—you will find it in the document.

Third, government efforts for the medium and long term:

1. Reform as a tool to our economic policy. Economic reform represents a method which falls within a comprehensive plan, the aim of which is to make our economy work in the most efficient way. I spoke about self-reliance. Self-reliance has two pillars: our own natural resources—I spoke about petroleum; and human resources, which means men, men's work, and the work of the enterprises. Here comes the role of reforms; in other words, the effort is to improve the functioning of the national economy. As I have said there will be no chance for a real implementation of the reforms so long as we are experiencing and suffering and even threatened due to the lack of stable and long-term solutions for the issue of foreign financial balances. Economic reform represents a method that falls within a comprehensive plan, the aim of which is to make our economy work in the most efficient way and at the level of its real human and material energies, which are now inadequately used and are either disrespected or ignored. Approaching economic reform today means the application of market rules, competititon, and economic programs in controlling the growth rates. These carry within them great energys for productivity that enable us—and we must make use of them—to serve our economic development.

In our era, concern for economic reform means approaching the rules of the market, competition, and economic trends when we determine our methods. These bear strong inherent energies for productivity. We can do this; what is more, we must benefit from these rules in the service of our economic development. This concern must not be synonymous with the law of the jungle; the market economy is not the law of the jungle. Algeria, like any other country, must be endowed with mechanisms which enable it to protect the poorest and the most destitute in economic and social life.

As I stated before the National People's Assembly, I do not want to remain prisoner of two matters the sweetest of which is bitter. This is the structure based on the maximum yield at the expense of everything, on the one hand, or the economic structure based on maximum equality, on the other hand. Whenever a choice must be made, I will support more social justice. As to those who forget or pretend to forget the place of social justice and its dimension in a country like ours, I remind them of what a great Arab thinker said: Woe unto a nation which dislikes injustice when it is asleep, and forgets it when it is awake.

Undertaking reforms must not depend only on issuing laws and regulations, and moving from conception to implementation. The market laws must be put forth accompanied by the setting up of the basic economic factors on all levels and freeing their creative power. For this purpose, Algeria, like all countries, needs a solid public sector entirely involved in the rules of the new game. It also needs a private sector that is liberated and provided with appropriate means. These two sectors must be oriented toward national interests. They are both considered to be the focal point of the development of the new forms of social interaction. They are the recipient of financial accumulation in the country, with agreement based on negotiation between the workers' representatives and the owners of social shares [as heard] who share the burdens of austerity when necessary, and also the good of profits and progress.

Just like the political reforms, it is our duty to move to a phase which guarantees all the factors concerned with actions and decisions, which also requires dialogue, consulation, and discarding exclusion.

2. Exploitation of energy resources. The expansion of problems is measured by the great difference existing between the level of providing the needs of the citizens and their aspirations to modernize on the one hand; and the weakness of the level of production resulting from the appalling shortage in mobilization of material and human resources on the other hand. Cutting back on necessities can be considered only a temporary solution, and the real and lasting alternative solution comes, as I said, from an increase in production and the useful mobilization of all resources of the country. This is what I had commented upon by posing the problem of Hassi Messaoud.

Increasing production and developing the relevant processes and controlling them constitute, as a whole, a question that requires much endurance, because we cannot wait for immediate solutions to our problems. Regarding our resources, our country has, however, real potentials, including underground resources, particularly petroleum and gas. Giving our resources their real

value, particularly at the current stage, is liable to save us once and for all from this financial crisis, depending on our own means.

The program of priority actions that should be implemented within this framework depends on the following:

A. Reviving investments in the field of exploration.
B. Improving the recovery rate of available reserves.
C. Increasing production capacity, transport of hydrocarbons, and their derivatives and their export.
D. Increasing the activities of hydrocarbon processing and improving our revenues from exports.
E. Replacing imports with domestic production.
F. Optimum saving of energy products in the domestic market.

The current strain on our revenues and foreign payments force us to search for complementary revenues from foreign dealers in the field of exploration, and the development of hydrocarbons and their processing. This will be made available thanks to the ammendments that will be introduced on the current legislative framework.

The implmentation of this comprehensive program requires the allocation of significant sums of money. However, it cannot be allowed to mobilize part of future revenues from the international banking system, particularly the revenues accumulated from increasing the rate of recovering the exploited oil fields, which I talked about previously, and acquiring part of the hard currency necessary to get the country out of the current financial crisis.

Cleaning up the enterprises: The cleaning up of public enterprises and commercial banks is a prerequisite for the success of the program of economic reform which the country is pursuing. The question of covering the debts of the public enterprises is also of great importance. These debts have risen from 80 billion dinars to 180 billion dinars at present.

It is necessary to lessen financial complications in the public sector and the unjust weight of the past so that it can develop soundly and competitively in light of a real market economy. The industrial restructuring of the public sector must be adopted as soon as possible in order to establish the necessary organic relations between the public economic enterprises and develop them to strengthen their technical and financial potentialities. There must be planning, which you will find in the documents to be distributed to you.

4. [number as heard] Main principles: rehabilitation of work. The government will be eager at all times to win the trust of the citizen and his support. The work for establishing links and consultations and the launching of programs that contribute to the achievement of greater national solidarity and the affirmation of moral principles, as well as the shunning of negative behaviors and the rejection of all forms of favoritism and usurpation, constitute the bases of this endeavor. The assessment of the situation requires suitable human and financial means, and everybody must know before anything else the meaning of work and making decisions. The aspiration for the fulfillment of the consumer needs of the individual is a legitimate aspiration; however, no group of men and women can aspire to the fulfillment of these needs if they are not determined and ready to work hard and efficiently. The society whose attention is not directed most toward work is a society that contains within itself the seeds of its destruction. It is thus urgent to rehabilitate the value of work.

Social justice and national solidarity: Our economic and political action will remain preoccupied with the fulfillment of the basic social needs of people who aspire to prosperity. This will take place despite the pressures, particularly the financial ones, that can lead to the temporary confinement of the national aspirations of fulfillment of the citizens' needs. It is not possible to separate the economic problems, the assessment of economic reform, and defining the way to separate it from the social challenge.

The government does not accept that the improvement of economic results—to which it aspires—is achieved by impoverishing workers and consumers.

The government has affirmed its position which says that economic growth must not take place at the expense of workers and also affirms that raising of the purchasing power of wage-earners, which we all hope for, must be based on a rise in productivity and not at the expense of national solidarity, especially the unemployed and other people who have no income.

This is the report I wanted to deliver. Thank you. Peace and blessings of God be upon you. [applause]

Party Leaders Address Session

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[Excerpts] It is now no more than an hour before the first day of the national government-political parties meeting ends. After the official opening of the session at the Palais des Nations this morning, the prime minister, Mr. Ghozali, began the afternoon with a speech on the real economic, financial, and social situation of the country, citing many figures. [passage omitted]

The first representative of a political party to ask to speak this afternoon was former President Ahmed Ben Bella. The leader of the MDA [Movement for Democracy in Algeria] went straight to the point: He demands legal proceedings against those who have led the country to the edge of economic ruin. We are in agreement on denouncing the officials who have led us to this state of bankruptcy, Mr Ahmed Ben Bella said. We will talk about responsibility, we must go over the situation with a fine-tooth comb. Men involved in political incidents are imprisoned, added Mr. Ahmed Ben Bella. He said that those who got us into this mess are still gallivanting around and intend to run in the elections.

Mr Kasdi Merbah [leader of the Algerian Movement for Justice and Development], was more or less in agreement with Ben Bella. He spoke about the $375 million in gold that was mortgaged. He said that when he was prime minister he never mortgaged this gold and he had never (?stashed away) $3 billion dollars thanks to the Gulf war. Mr. Kasdi Merbah wonders what has become of this money, of this wealth. [passage omitted]

As for Chaykh Mahfoud Nahnah and Abdelhamid Mehri, they made quite mild remarks. Nahnah, the leader of Hamas, was the only one to regret the absence of the FIS [Islamic Salvation Front], justifying it by the imprisonment of the leaders, but saying he could not explain why the FIS is not taking part in this conference because the founder-members of the FIS still remain free. He said he was pleased about the meeting. For the first time in 30 years we have emerged from the dialogue of the deaf, said Mr. Nahnah. Mr Mehri, FLN [National Liberation Front] secretary general, commented on the sale of 21 percent of our oil resources. He said he agreed with it if it were necessary to use this partnership to get over a difficult spot, but Mr. Mehri expressed reservations about the final and permanent establishment of such a policy.

Six Parties Boycott Meeting

LD3007092691 Algiers Radio Algiers Network in Arabic 0800 GMT 30 Jul 91

[Text] The proceedings of the national meeting between the government and 45 political parties is scheduled to open now at the Palaise des Nations at the Club des Pins attended by a number of social, cultural, and popular organizations as observers.

The political parties absent from today's meeting are the Islamic Salvation Front, El Oumma Movement, Contemporary Muslim Algeria Party, Socialist Vanguard Party, the Union of Democratic Forces, and the Algerian National Party.

The government-parties meeting's agenda consists of three points: a government review of the economic and social situation in the country, an exchange of views on guarding and consolidating the course toward democracy, and the ethics of respecting legitimacy and the rules of the democratic game, and finally consultations on the structure of the dialogue within the perspective of the legislative elections.

Socialist Forces Front Stage Walkout

LD3007111891 Algiers Radio Algiers Network in Arabic 1000 GMT 30 Jul 91

[Excerpt] [Announcer] [passage omitted] Our envoys at the national conference have informed us that the Socialist Forces Front [FFS], led by Hocine Ait Ahmed, has left the conference hall. With us on the line is our colleague Mohsin Slimani:

[Slimani] Good morning, Hassiba. Before the meeting started between the government and the political parties at the Club des Pins, the representatives of the FFS decided to withdraw officially from the conference hall. This was announced to us by Bouhadef Mustapha, acting secretary general of the FFS, in the absence of Ait Ahmed who did not attended the meeting because he is in Tunisia, as Bouhadef said.

The reason the FFS withdrew, Bouhadef told us, is because the FFS did not agree, at this morning's session—to which the media were not invited—with the prime minister on the proposed agenda. The FFS demanded the inclusion of the following points: lifting the state of siege; setting a date for general elections; full coverage of the conference proceedings—or as Bouhadef called it, it was a total transparency.

Egypt

Israeli Foreign Minister Continues Visit

Musa, Levi on 30 Jul Talks, 242

NC3007131491 Cairo MENA in Arabic 1216 GMT 30 Jul 91

[Text] Cairo, 30 Jul (MENA)—Foreign Minister 'Amr Musa stated that during the first session of Egyptian-Israeli talks today, numerous issues connected with the Middle East peace process, Israeli settlements in the occupied territories, arms reduction, and other subjects were discussed.

In a statement following two hours of talks with Israeli Foreign Minister David Levi, who is visiting Cairo, 'Amr Musa said that they had continued the talks which President Mubarak held with the Israeli official last night.

He added that these talks would be continued this afternoon and tomorrow, Wednesday, before the Israeli foreign minister departs Cairo.

Israeli Foreign Minister Levi arrived in Cairo yesterday and met with President Husni Mubarak. The first session of Egyptian-Israeli talks under the chairmanship of the foreign ministers began today.

Asked about Israel's interpretation of UN Security Council Resolution 242, David Levi said that the resolution has several interpretations and that Israel has its own interpretation. He explained that Israel has accepted UN Security Council Resolutions 242 and 338, and that, in accordance with the Israeli understanding, Resolution 242 is subject to negotiations among the concerned parties. Levi said he is looking forward to the beginning of the negotiations as soon as possible.

Commenting on Levi's reply, 'Amr Musa said Resolution 242 is "the basic reference" on which we are basing our arguments in the Middle East peace negotiations. He said it included the principles that must be implemented.

He explained that the negotiations would focus on ways of implementing, not interpreting, these principles. 'Amr Musa emphasized that the principles and clauses of Resolution 242 had to be implemented to reach a settlement.

Commenting further on his Israeli counterpart's remarks on Resolution 242, the Egyptian foreign minister said he hoped that the Israeli interpretation would agree with the international view on how this resolution must be implemented.

He noted that the establishment of peace hinges on implementing the principles which the international community agreed upon with regard to territory, security, and the foundations of a just peace in the region.

Asked if the Israeli side had shown any flexibility in the wake of the positive Arab response or if Israel still sought to get both peace and territory, 'Amr Musa answered: "It is not possible to have peace and keep the territory at the same time."

The Egyptian foreign minister said he hoped the Israelis would show flexibility, remarking: "Let us be optimistic in this regard."

Asked if he had informed 'Amr Musa of Israel's agreement to allow the United Nations to attend the Middle East peace conference as an observer, David Levi said: "This issue is being discussed with U.S. Secretary of State James Baker. We hope to surmount this obstacle."

Levi noted that James Baker is expected to visit Israel later.

The Egyptian and Israeli delegations will continue their talks at the Egyptian Foreign Ministry this afternoon.

Israeli Radio Interviews Musa

JN3007154091 Jerusalem Qol Yisra'el in Arabic 1445 GMT 30 Jul 91

[Interview with Egyptian Foreign Minister 'Amr Musa after his meeting with Israeli Foreign Minister David Levi in Cairo on 30 July, by correspondent Yehudit Bodek and carried within "With the Events" program—recorded]

[Text] [Bodek] Mr. Minister, can you say that the meeting brought the views of Egypt and Israel closer?

[Musa] I think there is room for progress toward understanding of the peace process and the achievement of a peaceful settlement.

[Bodek] Have views come closer? There are differences between Israel and Egypt over some topics, such as Palestinian representation and others. Has there been any rapprochement?

[Musa] There are differences, of course. But we are talking about progress toward the peace process through as much agreement as possible.

[Bodek] Did you bring up the Egyptian proposal to cancel the Arab boycott in return for a halt to the establishment of settlements?

[Musa] Yes, of course. We spoke about settlements in detail. Our position on this issue is well known. We reject these settlements; we do not recognize them. We believe that settlement activity is harmful to the general atmosphere of the peace process and that it obstructs peace. We presented our views and listened to the views of the other party. We will continue to discuss this and work to stop the settlements. This would not be the first time Israel has stopped settlement activity. It did it before, and it is possible, therefore, for it to do so again. In fact, Israel must do it because the issue affects the land, which is one of the points that must be discussed.

[Bodek] Is it possible to say that a halt to settlements is a condition for the resumption of the peace process; that this process cannot be resumed without stopping settlement activity?

[Musa] The resumption of the peace process is everybody's responsibility. The element of land is essential in a political and peaceful solution.

[Bodek] In an interview with THE NEW YORK TIMES, King Husayn called on the PLO to allow the Palestinians to elect their representatives. What is your comment?

[Musa] There is more than one proposal, and all are on the table for discussion and study. There is no need for us to say yes or no to a certain proposal. All the proposals are important. One, two, or three of them may be successful and get the process moving fast.

Israeli Sources on 'Difficult' Talks

NC3107104491 Cairo MENA in Arabic 0842 GMT 31 Jul 91

[Text] Cairo, 31 Jul (MENA)—AL-AHRAM AL-MASA'I reports today that Egypt has informed Israeli Foreign Minister David Levi that the time factor is of extreme importance in the efforts to revive the peace process in the Middle East, and that the continued establishment of obstacles could see the present golden opportunity thrown away, even though elements that could ensure its success are available on the regional and international levels.

The paper says that Egypt expressed its dissatisfaction with recent Israeli official statements which reflected a desire to impose conditions before the start of the negotiations, particularly with regard to the status of Jerusalem. No party has a right to adopt independent measures regarding Jerusalem, whose status must be determined at the negotiating table and within the framework of the general principles governing the peace process, which are primarily based on UN Security Council Resolutions 242 and 338.

The paper adds that according to Israeli sources who are following the talks between the Egyptian and Israeli

foreign ministers in Cairo, the general impression so far is that the talks were difficult and exhausting because of Egypt's insistence on the need for Israel to undertake positive initiatives to encourage confidence-building measures consistent with the positive Syrian response to President Bush's initiative and the flexibility displayed by the Palestinians. All this requires that Israel undertake tangible measures, especially an immediate halt to the building of settlements.

Musa, Levi Hold Evening Talks

NC3007173491 Cairo MENA in Arabic 1726 GMT 30 Jul 91

[Text] Cairo, 30 Jul (MENA)—Foreign Minister 'Amr Musa met this evening with Israeli Foreign Minister David Levi, who is visiting Cairo. They continued their discussion of issues raised during the Egyptian-Israeli talks held at the Foreign Ministry this morning.

The two ministers will resume their talks tomorrow, and then the Israeli foreign minister will meet with President Husni Mubarak. David Levi will hold a news conference before leaving Cairo for his country.

Israeli Paper Interviews Musa

TA3107061791 Jerusalem THE JERUSALEM POST in English 31 Jul 91 p 1

[By David Makovsky]

[Excerpts] Cairo—Egypt agrees to a compromise plan that would exclude an East Jerusalem delegate from the start of a Middle East peace conference—paving the way for the start of talks—so long as Israel commits itself not to view this concession as a precedent when negotiations on the final status of the territories take place, Egyptian Foreign Minister 'Amr Musa told THE JERUSALEM POST in an exclusive interview last night.

Musa said at his office in the Foreign Ministry that Foreign Minister David Levi would submit the Egyptian proposal to the cabinet for its approval and indicated that he has been in touch with the Palestinians for their approval.

Musa was convinced that resolving the thorny problem of the Palestinian delegation would permit Secretary of State James Baker to return to the Middle East and announce the opening date of the conference. [passage omitted]

Musa also indicated in the interview that Israel would agree on putting the issue of the future of Jerusalem "on the table" during final status talks. However, Israel seems certain to reject this and another Egyptian call that Israel repeal its annexation of the eastern half of the capital during peace talks.

Musa focused, however, on resolving the problem of the East Jerusalem delegate. "The first round of talks can afford to be much simpler than a second round or third round," he said. "We hope that everything ends up within a short time—a year or so. But, for the purpose of launching the peace process, some kind of formula can be achieved without prejudice to the position of all the parties concerning the substance of the problem."

He continued: "We can understand if there is a formula that would command the agreement of everybody.... We trust that he (Levi) will put all this before the prime minister and the government and they will decide."

Musa said the agreement on the delegation would only have force if the Palestinians also agree to this formula. He said: "We can work with the Palestinians. Jordan is working with the Palestinians. Many others are working with the Palestinians. We are not working with them to convince them to write off the question of Jerusalem.

"They will not do that. We will not do that. But to cooperate, let us launch the process. Let us start the negotiations. We are sure that, once the negotiations start, they will have a dynamic of their own."

When asked which Palestinians he consulted, Musa would only say those from "all walks of life." He added, however, that the PLO remains the "spokesman and representative" of the Palestinians, implying that this formula had been proposed to them as well.

In general, Musa said, he emerged from his talks with Levi believing that Israel "is moving steadily towards being positive." He indicated that he no longer believes that procedural issues such as the participation of a UN observer and the reconvening of the conference are obstacles for Israel.

On Sunday, Mubarak told interviewers that he doubted Shamir's sincerity about seeing the talks succeed.

Musa said Egypt wants a moratorium on settlements in the territories, saying he does not see how talks could progress "if Mr. Sharon keeps building."

The minister also said that Israel should "rescind its annexation" of the Golan Heights in 1981.

Musa called Levi "a very fine man. He listens carefully and replies in a clear way."

When asked when he would reciprocate and visit Israel, he said within "the next few weeks or next few months," depending on progress in the talks. He refused to say whether a positive Israeli reply to attending the peace conference would influence Mubarak to meet with Shamir for the first time.

Mubarak Receives Levi

NC3107082591 Cairo Arab Republic of Egypt Radio Network in Arabic 0700 GMT 31 Jul 91

[Text] President Husni Mubarak this morning received Israeli Foreign Minister David Levi. Foreign Minister 'Amr Musa, the Egyptian ambassador to Tel Aviv, and the Israeli ambassador to Cairo attended the meeting.

Levi on 'Cordial' Talks With Mubarak

NC3107085691 Cairo MENA in Arabic 0817 GMT 31 Jul 91

[Text] Cairo, 31 Jul (MENA)—Israeli Foreign Minister David Levi has expressed satisfaction over his talks with President Husni Mubarak today. Speaking to reporters following the meeting, Levi said: I was honored to meet President Mubarak. Today's talks, like the earlier talks, were held in a cordial atmosphere.

Levi said: We have stated our commitment to promote the peace process and consolidate ties between Egypt and Israel. We have reviewed numerous issues with President Mubarak. Egypt is the largest country in the region and the only one that has a peace treaty with Israel, and this enhances the chances of a frank and open dialogue with Israel.

The Israeli foreign minister told reporters that Israel, for its part, is interested in such a dialogue, adding that this dialogue is not taking place in an atmosphere of pressure and conditions but one of eagerness and with a sense of responsibility and awareness of the need to establish peace in the entire region.

Levi said: We have agreed to continue dialogue and to exert joint efforts that will lead us in the desired direction.

David Levi expressed appreciation for Egypt's efforts as regards the peace process. He said he was grateful for Egypt's hospitality and for the excellent atmosphere that characterized the talks.

David Levi said: We listened to advice. We also listened to Egypt's views on many topics. We are aware of the existing difficulties, but we have a common desire and determination to move toward a resolution of these difficulties.

More on Talks With Mubarak, Musa

TA3107110791 Jerusalem Qol Yisra'el in Hebrew 1033 GMT 31 Jul 91

[Statement by Israeli Foreign Minister David Levi following his meeting with President Husni Mubarak in Cairo on 31 July—recorded]

[Text] I was honored to hold another talk with President Mubarak. As the first one, this talk was held in a good and cordial atmosphere, on the basis of the common concern and common responsibility for promoting the peace process and strengthening relations between Israel and Egypt. We touched on many issues. Egypt, as a country that lives in peace with Israel, is the only large country in the region that can maintain an open and sincere dialogue with Israel, and the same applies to Israel. We are not talking here of an atmosphere of pressures or conditions, but as people who are responsible for and who care, should jointly care, that peace prevails in the entire region.

The talk with the president was very friendly and good and points to a continuation of dialogue and joint efforts between our two countries. As we decided, I would be glad to continue the open and sincere dialogue that has resumed between me and my colleague, 'Amr Musa, at the Egyptian president's instruction, and which will encompass many other important spheres in the future.

I am glad, and my people and government also will surely be glad, about the nature of the effort and the view of the joint responsibility expressed in my talks here with the president and other Egyptian Government officials, including my counterpart, the foreign minister. I am grateful to the president for the good, warm hospitality; for the excellent atmosphere that prevailed during our deliberation; for advice that he has given; and for the view of various issues and their attendant difficulties that was combined with a strong desire by each side to help resolve them.

Again, peace between Israel and Egypt is a very strong foundation on which peace in the entire region, too, will be based.

Says Egypt Accepts Several 'Demands'

TA3107121091 Tel Aviv IDF Radio in Hebrew 1130 GMT 31 Jul 91

[Text] Following the Levi-Mubarak meeting, Egyptian Foreign Minister 'Amr Musa said no compromise proposal was achieved on the Palestinian representation issue. In contrast, Foreign Minister David Levi says Israeli-Egyptian relations were strengthened. Following is an excerpt of an interview Minister Levi granted to Natan Gutman, our envoy to Cairo.

[Begin Levi recording] I am leaving here with remarks which were clearly said by the Egyptian president as a guideline to all elements to strengthen bilateral relations and to promote economic and other issues. There was acceptance of several Israeli demands. This is a new era, I would say, in the consultations and the renewed dialogue between the foreign ministers, in the exchange of visits by Israeli and Egyptian ministers. Under the president's instruction, there was also acceptance of the demand regarding the search for our MIA's everywhere, by an Israeli or a joint team, at sea or on land, throughout Egyptian territory. All this was not made conditional on anything. [end recording]

Musa—Talks 'Very Fruitful'

NC3107100391 Cairo MENA in Arabic 0857 GMT 31 Jul 91

[Text] Cairo, 31 Jul (MENA)—Foreign Minister 'Amr Musa said his talks with Israeli Foreign Minister David Levi focused on the peace process.

In a statement to journalists following President Mubarak's meeting with the Israeli foreign minister today, Musa expressed the hope that the peace process in the Middle East would begin as early as possible.

Musa said: We have reason to believe that we are proceeding on the right track, despite the presence of some difficulties which we are trying to overcome. He added: We still have some work to do.

Musa explained that his talks with Levi were very fruitful. He expressed satisfaction with Levi's understanding of the difficulties and of the delicate phase through which the region is passing. He said: We hope that some success will be achieved soon and that the peace process itself will begin as early as possible.

Asked whether he believes that Israel would say yes to Baker. Musa said: You must ask the Israeli foreign minister himself.

On the Palestinian representation in the anticipated peace conference, Musa said: The Palestinian representation is not our affair. Neither we nor Israel can decide this matter. It is up to the Palestinians as to who will represent them.

Musa added: We will follow whatever the Palestinians decide. We are consulting with them and talking to them. We are giving them advice, but ultimately the decision is theirs.

Regarding the composition of the joint Palestinian-Jordanian delegation, Musa said: This matter concerns the Jordanians and the Palestinians themselves. Naturally, this matter is of interest to all of us. We are following up on this matter. We are doing all we can to help, but I would like to stress that this decision is theirs and not ours.

Asked if there is an understanding on the inclusion of East Jerusalem representatives in the joint Jordanian-Palestinian delegation in the first phase of the negotiations, Musa answered that there is no such understanding.

Asked if he and the Israeli foreign minister had discussed specific proposals, Musa said: We discussed everything. Asked if he felt an agreement was imminent, he said: I hope so.

Questioned about the outcome of the talks, Musa said: We held extensive talks. The Israeli foreign minister will submit a report on these talks to the Israeli Government. We hope we will arrive at a stance that in a short time will push forward the peace process.

Asked if he had given Levi a formula on the Palestinian representation, Musa said: We did not submit any specific formula. I would like to reiterate that the composition of the joint Palestinian-Jordanian delegation is the affair of the Jordanians and Palestinians. We are following up on this matter. Naturally, we are prepared to give advice and to help in order to facilitate the convening of this conference.

Asked if Israel had shown any flexibility, Musa said: I hope so. There is no need to go into detail on this.

Asked if he felt frustrated following his talks with Levi, Musa said: I do not feel any frustration.

Levi Confers With Parliamentarian

NC3007142691 Cairo MENA in Arabic 1357 GMT 30 Jul 91

[Text] Cairo, 30 Jul (MENA)—People's Assembly Speaker Dr. Ahmad Fathi Surur received at his office today Israeli Foreign Minister David Levi, who is visiting Cairo, and his delegation.

During the meeting, Dr. Surur stated that the People's Assembly supports President Husni Mubarak's policy on peace in the Middle East and the steps he is making in this connection. He added that Israel has an unprecedented opportunity which it must seize, and noted that it must demonstrate goodwill by halting the building of settlements in the occupied territories.

Dr. Surur remarked that the establishment of peace will open a new chapter of relations among the countries of the region. He emphasized that peace cannot be imposed, and if such a peace is temporarily imposed by force in our generation, it will not continue in the future. He explained that peace is achieved through amity and fraternity, and that this requires goodwill.

The People's Assembly speaker urged that due respect be shown to UN Security Council resolutions, and that guarantees be offered to provide a homeland for the Palestinians.

The Israeli foreign minister stressed that attaining the desired peace represents a major responsibility.

Levi To Return Early

TA3007162091 Jerusalem Qol Yisra'el in Hebrew 1600 GMT 30 Jul 91

[Text] Foreign Minister David Levi will return to Israel from Cairo two hours earlier than scheduled tomorrow. Our correspondent Arye Golan reports that the foreign minister was summoned to Jerusalem for consultations, where he will apparently meet with the prime minister tomorrow evening. The consultations in Jerusalem will deal with Israel's response on its readiness to go to the peace conference. They will also concern the possible return of Secretary of State Baker for another round of talks in Israel.

Mauritania

Opposition Movement Suspends Armed Struggle

AB3007185591 Paris AFP in French 1817 GMT 30 Jul 91

[Text] Dakar, 30 Jul (AFP)—The Mauritanian African Liberation Forces (FLAM—Black Mauritanian Armed Opposition) today announced the "immediate suspension of the armed struggle" in a communique released to AFP in Dakal

This decision came following the general amnesty decreed by the Mauritanian authorities yesterday, which applies to all those sentenced and includes a closing of all investigations for security and press offenses.

According to the FLAM, this decision is a "response to the recent political developments in Mauritania, a result of the struggle of our people whose driving force is the FLAM."

Sudan

Al-Bashir Advised To Rest; Shown Live on TV

EA3007183591 Khartoum SUNA in Arabic 1023 GMT 30 Jul 91

[Text] Khartoum, 30 July (SUNA)—Last night, Lieutenant General 'Umar Hasan al-Bashir, chairman, received Lt. Gen. Hassan 'Abd-al-Rahman and his deputies at his residence. They came to assure themselves as to thestate of his excellency's health in relation to the illness that struck him during his inspection tour of the northern state last week.

A spokesman said on behalf of the medical lieutenant general supervising the treatment of Chairman al-Bashir that his excellency's health has begun to show excellent improvement and that he is progressing toward a complete recovery. The spokesman went on to say that the chairman has been advised to rest in complete privacy at present.

It is noteworthy that last night Sudanese Television in its main bulletin carried live the meeting between Chairman 'Umar al-Bashir with the chief of General Staff and his deputies; in the report, the chairman appeared to be in excellent health.

Bahrain

Premier Receives New Soviet Ambassador

JN3007172991 Manama WAKH in English 1530 GMT 30 Jul 91

[Text] Manama, July 30 (GNA)—Bahraini Prime Minister Shaykh Khalifah bin-Salman Al Khalifah received here today the new Soviet ambassador to Bahrain Mr. Anatoliy Gavryuchenko.

Shaykh Khalifah welcomed the establishment of diplomatic ties between the two friendly countries, saying that the presence of the Soviet ambassador to the country was within the framework of joint efforts to enhancing and strengthening relations and open new doors for common cooperation.

Shaykh Khalifah also highlighted changes undertaken by Soviet President Mikhail Gorbachev in order to promoteg his country's relations with other world countries and actively contributing in solving regional problems and conflicts.

The Bahraini premier hoped the Soviet ambassador every success in his new post, adding that he will receive all support from officials in the country.

From his side, the Soviet ambassador said following the meeting that they discussed means of developing relations between the Soviet Union and Bahrain and other regional and international issues.

Kuwait

Iraq Frees 5 Kuwaitis; 1,857 Still Missing

LD3007172491 London KUNA in Arabic 1415 GMT 30 Jul 91

[Text] Kuwait, 30 Jul (KUNA)—Kuwaiti Justice Minister Ghazi 'Ubayd al-Sammar has announced that five Kuwaiti prisoners will return to the homeland today by plane after being released by the Iraqi regime. Minister al-Sammar told journalists that the five prisoners had actually arrived in the Saudi town of 'Ar'ar yesterday, coming from Iraq. He said that the prisoners are 'Abbas Hamza Hasan al-'Ula, 'Abdallah Mijbal Sunafi al-Jad'i, 'Abbas 'Abdallah 'Abd al-Latif 'Ali, 'Ali 'Abdallah 'Abd al-Latif 'Ali, and Jawhar Majid Jawhar. Al-Sammar added: "The number of Kuwaiti prisoners and missing people is 1857; while that of non-Kuwaitis, including Arabs and other nationalities, is 619."

Labor Minister on Employment Law, Communications

LD2907120291 London KUNA in Arabic 1008 GMT 29 Jul 91

[Excerpts] London, 29 July, (KUNA) In a press statement published here today, the Shaykh Nawwaf al-Ahmad, minister of Social Affairs and Labour, stressed that the new employment law in Kuwait will be better organized and disciplined than what it was like prior to the treacherous Iraqi invasion. [passage omitted]

In replying to a question on the restoration of communications in Kuwait to its previous state, he said: We have fulfilled our promise We have restored around 90 percent of internal communications, and over 90 percent of external communications. Our external channels (of communications) now total 1,400 external lines so far. [passage omitted] He announced that a new station [as received] would be built in the al-Dawha region rather than at Umm al-'Aysh, in view of it being close to urban centres and its not being exposed to sand storms like Umm al-'Aysh. He said that as from next year the station will be equipped in stages, particularly since now we have exchanges, and international communications have been restored. [passage omitted]

Saudi Arabia

Fahd Letter on Palestinian Representation Denied

LD3007212791 Riyadh SPA in Arabic 2000 GMT 30 Jul 91

[Text] Jeddah, 30 Jul (SPA)— A responsible source, in a statement to SPA, has denied a REUTER report Tuesday, citing Palestinian officials as saying that King Fahd Bin-'Abd-al-'Aziz Al Sa'ud, custodian of the two holy mosques, had sent a letter to the PLO chairman, asking him to accept Palestinian representation as part of a joint Palestinian-Jordanian delegation in order to give an impetus to the peace process.

The source said that everything that REUTER said in this report is fabricated in part and parcel and is totally unfounded. He pointed out that the policy of the Kingdom of Saudi Arabia, as everyone knows, in no way approves of interference in the affairs of others, and that the kingdom has never imposed an opinion on the Palestinians or made any proposal to them which is not in the interest of their cause, and they all realize this. The source concluded by saying that while the Kingdom of Saudi Arabia strongly regrets the publication of this contrived report, it hopes that the sources concerned would ascertain the truth about such reports from the responsible quarters before hasty publication.

United Arab Emirates

BCCI To Pay Part of Depositors Account

JN3007205991 Manama WAKH in Arabic 2045 GMT 30 Jul 91

[Text] Abu Dhabi, 30 Jul (WAKH)—The Central Bank of the United Arab Emirates [UAE] has stated that the concerned governmental authorities are studying the data on the accounts of depositors at the branches of the Bank of Credit and Commerce International [BCCI] in the UAE, with a view to paying part of the depositors' rights in percentages to be decided in the next few days.

The number of depositors is estimated at 35,000, which means the study and analysis of the accounts will continue over the coming weeks.

A statement issued by the Central Bank tonight said that in view of the social and living conditions of small depositors in particular, the governmental authorities will consider paying part of those depositors' rights in the next few days.

The Central Bank will announce the procedure through which the payments will be made.

Inspection Team Visits Industrial Installations

JN3007191091 Baghdad INA in Arabic 1852 GMT 30 Jul 91

[Text] Baghdad, 30 Jul (INA)—The fourth international nuclear inspection team visited industrial installations yesterday and today. It acquainted itself with the efforts to rebuild what the U.S. aggression against Iraq destroyed. The team met with the deputy chairman of the Iraqi Nuclear Energy Agency with whom they held an open dialogue on various aspects of the Iraqi nuclear program. The international team attended a scientific seminar the Iraqis held on the centrifuge program. The seminar dealt with scientific, technical, and design issues pertaining to the centrifuge.

Saddam Speaks to Ba'thists on 'Revolution'

JN3007151091 Baghdad Republic of Iraq Radio First Program Network in Arabic 1400 GMT 30 Jul 91

[Text] Comrade leader Saddam Husayn, secretary of the Arab Socialist Ba'th Party Regional Command, has said: No one must think that he has done favors to the revolution. We must all remember that the revolution has done favors to us. His excellency said: Revolutionaries must set the example. They must apply the slogan: Revolutionaries must be the last to benefit.

Comrade leader Saddam Husayn added: There is a difference between the revolutionary who believes in his ideals to the end and the occasional revolutionary. Anyone wanting to become a revolutionary until the end and not an occasional one must continue to march on the path of the principles on which the revolution was founded.

Comrade leader Saddam Husayn said: In its principles and applications, the 17 July Revolution constituted the gate, and the 30 July uprising set the framework. The march after those two events has fulfilled the principles of the revolution.

His excellency said: Anyone wanting to be influential and to set the example must be pure in his daily life and must be a model for other citizens.

These statements emerged when the comrade leader yesterday received comrades who carried out the actual great 17-30 July revolution. They were headed by comrade 'Izzat Ibrahim, deputy regional secretary of the Arab Socialist Ba'th Party, and comrades Taha Yasin Ramadan and Kamil Yasin, members of the Regional Command.

A number of revolutionaries spoke during the meeting in the presence of the comrade leader. They noted his role in reorganizing the party at the military and civilian levels following the 18 November 1963 setback. They also noted the role played by the comrade leader to prepare for the revolution, draw a plan for it, and directly lead the mass of revolutionaries in toppling the old regime, and then to expel the individuals who infiltrated the body of the revolution in the blessed 30 July uprising.

The meeting was attended by Hatim Hamdan al-'Azzawi, director of the Presidential Office.

RCC To Raise Military Pay '100 to 200 Percent'

JN3007192691 Paris Radio Monte Carlo in Arabic 1900 GMT 30 Jul 91

[Text] The Iraqi newspaper AL-JUMHURIYAH reports that the Revolution Command Council [RCC] has decided to raise the salaries of the Iraqi military by 100 to 200 percent depending on the individual's role in the war with Iran and in the Gulf war.

Iraqi, Arab Deportees From Kuwait Arrive 30 Jul

JN3007192491 Baghdad INA in Arabic 1803 GMT 30 Jul 91

[Text] Al-Basrah, 30 Jul (INA)—A new group of Iraqis and Arabs deported by the Kuwaiti authorities arrived in the border area of Safwan, al-Basrah Governorate, this afternoon. An INA correspondent in al-Basrah said the new group of 75 people was received by the joint commission of the International Committee of the Red Cross [ICRC] and the Iraqi Red Crescent. Humanitarian services were provided to the deportees.

The correspondent learned from reliable sources at the ICRC that the Kuwaiti authorities continue to deport Arab citizens according to a set timetable and with an average of two groups a week. The deportations will continue until mid-November when more than 20,000 Arabs will have been expelled. Since 1 July, more than 1,600 Iraqis and Arabs deported by the Kuwaiti authorities have arrived in al-Basrah.

U.S. Airspace 'Violations' for 28-29 Jul Noted

JN3107051191 Baghdad INA in Arabic 2040 GMT 30 Jul 91

[Text] New York, 30 Jul (INA)—U.S. planes continue their violations of Iraqi airspace for surveillance and harassment purposes. Iraq's permanent representative to the United Nations said today in a memorandum addressed to the UN secretary general that the U.S. air activity inside Iraqi airspace on 28-29 July amounted to 12 sorties divided over six two-plane formations. The memorandum added that the hostile aircraft concentrated their flights over the areas of Irbil, Dahuk, Zakho, al-'Amadiyah, and Tall 'Afar at speeds of 600-900 kms per hour and at low and medium altitudes.

Ramadan Says Initial Phases of 'Aggression' Failed

JN3007195791 Baghdad INA in Arabic 1155 GMT 30 Jul 91

[Text] Baghdad, 30 Jul (INA)—Taha Yasin Ramadan, member of the Revolution Command Council and vice

president of the Republic, has asserted that the continued economic blockade imposed on Iraq proves that the aggression against the country is continuing and that the initial phases of the U.S.-Zionist-Atlantic aggression have failed.

Meeting with a Jordanian Bar Association delegation led by Adib Hawatimah, Taha Yasin Ramadan added that the coming days will reveal the dimensions of the conspiracy of aggression against Iraq led by America and its Zionist, Atlantic, treasonous allies. He stressed that Arab and world public opinion has exposed the falsehood of the U.S. allegations, which trade on human rights and international legitimacy and violate laws and charters to achieve its aggressive ambitions and policies in the region.

The vice president said that the heroic Iraqi people under President Saddam Husayn will continue their steadfastness and defiance of all illegitimate resolutions and aggressive policies in order to abort the conspiracy and shred all its chapters so that Iraq will remain crowned with constant victory.

The members of the Jordanian Bar Association delegation said they highly appreciated and took great pride in the brave stance of President Saddam Husayn when he confronted the biggest aggression in which all forces of evil, despotism, and hegemony have ever taken part.

They stressed that Iraq will remain at the forefront of the Arabs to lead their jihad in defense of the Arab nation. They stressed that the pan-Arab awakening throughout the Arab arena will remove treasonous Arab regimes which are bought and sold in the international market of politics. They stressed that it is the people who win victories and glory.

AL-THAWRAH on Failure of U.S. 'Aggression'

JN3107073991 Baghdad INA in Arabic 0615 GMT 31 Jul 91

[Text] Baghdad, 31 Jul (INA)—AL-THAWRAH has affirmed that the new world order the U.S. Administration seeks to establish is one in which humanitarian or moral criteria are mostly absent; it has been taken over by the interests, greed, and desire for absolute hegemony at the expense of others.

In an article published here today under the headline "The Economic Siege: Between the U.S. Claims and Goals," the paper said that the determination to maintain the economic siege on Iraq goes beyond the limits of the declared goals and totally contradicts all the false slogans and human values Bush boasts about having adopted such as allegedly defending democracy and human rights.

It added that the imperialists believed that imposing the economic siege would make the Iraqis yield and kneel before the American-Zionist interests in the region, but the Iraqi people's epic steadfastness made the enemies resort to armed military aggression, treachery, and instigation of agents and saboteurs from beyond the borders in the hope that these successive blows would succeed in breaking the Iraqis and robbing them of their right to choose their independent course of construction and cultural rise. They also believed it would fragment their national unity and spread chaos and internecine fighting among them.

The paper explained that the savageness of the aggression, including all the human sacrifices and huge material losses, did not affect the spirit of optimism, love of life, and unlimited readiness to continue building among the nation of epic steadfastness. This means the U.S.-Atlantic-Zionist aggression failed to realize its true goals of destroying the vanguard, independent, revolutionary experiment in Iraq and harm its historic leadership.

The paper also said that on the pan-Arab level, it is no longer a secret that the Bush Administration has so far failed to find a peaceful and just settlement for the Palestine question as it promised to do when it imposed its military presence in the region due to Israel's absolute refusal to implement the Security Council resolutions on Palestine and insistence on continuing its aggressive and expansionist policy in the region at the expense of the Arab nation's rights. This has started to greatly embarrass all those Arab regimes which publicly played the role of agents and traitors by siding with the enemies of the nation in their aggression against Iraq.

The paper said the U.S. Administration will divert attention from the settlement game which is being designed according to Zionist interests in the region. It will also apply more psychological and economic pressure on the Iraqi people, hoping it will succeed in ruining the stability which has started to prevail in the society. This proves the failure of the scheme of aggression to make the nation of epic steadfastness kneel and submit to the U.S.-Zionist administration.

AL-THAWRAH concluded its article by saying that the new world order the U.S. Administration is hoping to establish is a feverish attempt to spread the American society's values, with all its contradictions, throughout the world.

Secretary Baker Calls Shamir From Moscow

Delegation, Timing Key to Response

TA3007170891 Jerusalem Qol Yisra'el in Hebrew 1605 GMT 30 Jul 91

[Text] U.S. Secretary of State James Baker telephoned Prime Minister Yitzhaq Shamir from Moscow today and told him that today or perhaps tomorrow he will announce whether he is coming to Israel for a visit this week. The issue of invitations to the conference did not arise in the talk at all. Our correspondent Yo'el Nir reports:

The emphasis in Secretary of State Baker's remarks to the prime minister is on the word if—not when he comes, but if he comes. The difference is significant, of course, since this if largely depends on whether he gets a positive reply to the key question concerning the composition of the Palestinian delegation.

It is believed in Jerusalem that if Baker comes, he will come to conclude the matter of our participation in the conference. He will apparently suggest that Israel first give a positive reply, after the clarifications it receives on the issue of composition, and all other matters will be concluded later. Israel, for its part, reiterates it will give a final answer only after all issues on the agenda become clear, including the framework of the conference and all related points—such as the goals of the negotiations, or our demand that only the foreign ministers or the heads of delegations to the conference will speak at the opening session, which means that none of the Palestinian members of the Jordanian-Palestinian delegation will be given the floor.

Deputy Foreign Minister Binyamin Netanyahu stated this evening that the fact that until this very moment there has not been a clear Syrian declaration that the objective of the negotiations is to lead to a Syrian-Israeli peace treaty is troublesome and does not enhance the chances of the negotiations Israel desires.

Still, Israel is primarily awaiting the composition of the Palestinian delegation. Will Baker, if he comes, bring an answer on that issue? In any event, it seems that Baker in Moscow dampened expectations, both regarding the invitations and regarding a possible joint visit to the region by him and his Soviet counterpart. Such a visit will not take place apparently. We now need to wait patiently for both David Levi, who is returning tomorrow, and for an announcement from Baker on whether he is coming.

Another Phone Call Reported

TA3107073891 Jerusalem Qol Yisra'el in Hebrew 0400 GMT 31 Jul 91

[Text] Even in a second phone call made last night by U.S. Secretary of State Baker from Moscow to Prime Minister Yitzhaq Shamir in Jerusalem it was not decided whether Baker will return to Israel this weekend. This matter apparently will be determined only today. Our correspondent Yo'el Nir reports that all issues on the agenda arose in the two Baker-Shamir phone conversations, but the Americans have not yet answered questions raised by Israel, especially regarding the Palestinian representation in the peace conference. It was said that Baker wanted to suggest that Israel first announce its participation in the conference and that the Palestinian representation issue will be settled only later. Israel, however, wants answers to its questions first.

Shamir—No Reply Before Cabinet Okay

TA3107070691 Tel Aviv MA'ARIV in Hebrew 31 Jul 91 p A2

[Report by Menahem Rahat and Yehuda Goren]

[Excerpt] In telephone conversations with U.S. Secretary of State Baker in Moscow yesterday, Prime Minister Yitzhaq Shamir made it clear he will not be able to react to the U.S. initiative on the regional conference until the matter has been discussed and approved in the cabinet. "This is the nature of our democratic regime," he explained.

Shamir added that the cabinet discussion can take place only when all of Israel's demands have been fulfilled, especially the one on the nature of the Palestinian representation. According to U.S. sources, Baker spoke with Israeli leaders several times on the phone yesterday. It was confirmed in Jerusalem that Baker spoke with Shamir twice, in the morning and in the evening.

The Tehiya Secretariat yesterday recommended withdrawal from the coalition if there is a decision to go for a conference. "Going to a conference is entering a dangerous trap," it was stated. The decision does not clearly note at what stage the Tehiya will withdraw, but movement members say this will happen if Baker is given a positive reply.

Tzomet and Moledet decided to support the prime minister's peace moves and trust him to defend the integrity of Eretz Yisra'el. These parties decided they will withdraw only in the event of territorial concessions. [passage omitted]

Aide Rebuts CNN on Reply to Baker

TA3007112391 Jerusalem Qol Yisra'el in Hebrew 1100 GMT 30 Jul 91

[Text] Our monitor Mikha'el Gurdus quotes CNN as reporting that Israeli leaders promised U.S. Secretary of State Baker this morning that tonight they would relay their position on the convening of the peace conference. Our correspondent Yo'el Nir quotes Avi Pazner, the prime minister's media adviser, as saying, however, that Mr. Baker did hold a telephone conversation with Mr. Shamir, but the subject of Israel's responding tonight was not broached at all. Pazner said that Mr. Baker told Prime Minister Shamir that he will announce later today when he will be arriving in Israel.

Spokesman on Answer to Baker

TA3107061091 Tel Aviv IDF Radio in Hebrew 0500 GMT 31 Jul 91

[Telephone interview with Yosi Ahime'ir, head of the prime minister's bureau, by Ya'el Dan and Gay Zohar—live]

[Text] [Dan] Good morning to Yosi Ahime'ir, head of the prime minister's bureau. To the best of your knowledge this morning, will Baker arrive here from Moscow or not?

[Ahime'ir] This is not known as of this morning. There were two phone calls between Moscow and Jerusalem yesterday. Baker spoke with Prime Minister Shamir on his possible arrival, but nothing has been concluded.

[Zohar] What is actually delaying Baker's arrival in Israel?

[Ahime'ir] I assume that the U.S. secretary wants to come to tell us things so that it will be possible to announce the opening of a conference, but there are still obstacles, still small problems.

[Dan] Is there any truth to press reports that in these two phone calls Baker implored Shamir to say yes so that he can come, but that the yes was not given?

[Ahime'ir] The secretary naturally wants to have the procedural problems behind us already. So do we, but they have not yet been completely resolved. Israel is not yet satisfied, mainly about the composition of the Palestinian delegation. We are still awaiting a satisfactory reply or information.

[Zohar] Is it thought at the prime minister's bureau that Baker will make an announcement in Moscow today on the convening of the conference and on the invitations to be sent to Israel?

[Ahime'ir] We have no clear information on this; we do not know whether he will announce this or not. To convene a conference one should know exactly what one goes for, and its success should be guaranteed. Both the Americans and we are interested in its success. As I said, there are still problems.

[Dan] The truth is that we are now quite confused. If we look at this playing field, it seems that we have lost the ball and do not even know where it is. Israel says the ball is in the U.S. court, that we are awaiting clarifications, while we hear that in his phone call Baker asked Shamir to come up with a yes or no already. So, where is the ball? Who is supposed to give a reply to whom?

[Ahime'ir] The question is not merely technical, Ya'el. We are dealing with procedural matters indeed, but these matters are very substantive at the moment. Look at the issue of the composition of the Palestinian delegation. Israel has a say on the composition of this delegation, to a degree at least: For instance, will an East Jerusalem representative be included in the delegation? From our point of view, this is a very substantive question.

[Dan] In other words, this issue is stuck now. We are awaiting U.S. clarifications and we have not received them yet.

[Ahime'ir] This is true to an extent. This is the delaying issue in the meantime. It should be clear that this is a very substantive issue as far as Israel is concerned. We must not make any concession here. Jerusalem is not, nor will it be, on the negotiations agenda. Therefore, any compromise or concession on this issue may be interpreted as a general Israeli concession on Jerusalem's status as a united city in Israel's eyes.

[Zohar] What was agreed at the end of the second Moscow-Jerusalem conversation yesterday? Will it be followed up today? Will an agreement be reached—on such basic issues, too—before the news conference [in Moscow] this afternoon?

[Ahime'ir] During the Gorbachev-Bush summit, during the joint news conference with the Soviets, the Americans will surely want to be able to say something about the Middle East, something new that points to progress. We can understand that they want to use this opportunity to declare progress and point out achievements on the peace efforts in the Middle East. This is their timetable. As far as we are concerned, though, if we were indeed satisfied on the issue of the Palestinian delegation, it would be possible immediately to declare the convening of the opening session and to launch the process. We are acting according to what is important to us, not necessarily according to one summit or another. If we receive satisfactory answers today, it will surely be possible to launch the process and welcome the start of negotiations.

[Zohar] You mentioned a timetable. If Baker does not arrive in Israel tomorrow or this weekend, he will not come before September, since he is taking a long vacation. Are you aware of this in Jerusalem?

[Ahime'ir] We may hear from the secretary again today. He knows exactly what we want to hear, what we expect to know. If this takes place today, all the better. If this happens some other time, any date suits us. As I have said, our timetable is not connected to vacations or summits. Our timetable stipulates that Jerusalem cannot feature on the negotiating table. Jerusalem is ours forever, and we are anticipating a satisfactory reply here, namely, that an East Jerusalem representative, just like a PLO person, will not be on the Palestinian delegation. We will not be able to sit down with them.

[Dan] If this answer does not come—and procedurally speaking, we understand a cabinet decision on Sunday is being awaited—then the answer to Baker will be negative, right?

[Ahime'ir] We are not speaking of negative answers yet. Baker and the other U.S. officials know exactly what we

are waiting for, and they are making the effort indeed. We welcome this effort. They agreed with us that Israel will not be able to sit down with representatives who are not acceptable to it, and they are making this effort, which we welcome.

[Zohar] Will an Israeli answer be given only after a cabinet meeting?

[Ahime'ir] The cabinet should definitely have its say and listen to the foreign minister when he returns. I assume that the moment the prime minister is satisfied with the U.S. reply, he will be able to present it to the cabinet and receive its approval.

[Dan] Thank you very much, Yosi Ahime'ir.

Shamir Vows To Strengthen Hold on Eretz Yisra'el

TA3007202691 Jerusalem Qol Yisra'el in Hebrew 2000 GMT 30 Jul 91

[Text] Prime Minister Yitzhaq Shamir said this evening in Jerusalem that the capital of Israel cannot be a subject for any international negotiations because it is the basis for our faith, security, and hopes. In a speech before thousands of members of the Bney 'Aqiva movement, Shamir said that the coming days would be very crucial and full of challenges. It may very well be that the gateway to negotiations would open in the near future; however, one could not know whether peace negotiations would indeed lead to peace. Shamir promised to strengthen the Jewish people's hold on Eretz Yisra'el, saying that by doing so we would achieve peace. His remarks were reported by our correspondent Ya'el Ayalon.

Sharon—Cabinet Debate Must Precede Reply

TA3007165291 Jerusalem Qol Yisra'el in Hebrew 1605 GMT 30 Jul 91

[Excerpt] Construction and Housing Minister Ari'el Sharon said that the Egyptians are trying to drive a wedge between the prime minister and his cabinet ministers. Sharon, of course, was referring to the very warm welcome given Foreign Minister David Levi in Egypt. Sharon was speaking during a visit to Karmi'el, and our correspondent Nati Zilberman was there.

[Begin recording] [Zilberman] Minister Ari'el Sharon was not particularly impressed with the warm reception the Egyptians gave Foreign Minister David Levi. This warmth, Sharon stressed, does not prove anything except for the fact that we are in the East.

[Sharon] We are all familiar with the East and its receptions. I do not sense any warmth there whatsoever while the Egyptians are constantly attacking the State of Israel and its prime minister with such vehemence and trying to drive a wedge between the cabinet ministers or between them and the prime minister.

[Zilberman] As for those who this morning thought that Israel may send a positive response to the superpower summit in Moscow within a few hours, Sharon made it clear that such a response would not be given without prior discussion in the cabinet. So far, Sharon stressed, he had no knowledge of any such planned discussion.

[Sharon] This is a matter pertaining to our very existence. There will be a debate, probably followed by a vote, before a decision is made, and I will express my opinion during this debate.

[Zilberman] In other words, no decision has been made yet regarding Israel's response?

[Sharon] It is totally inconceivable that a response on such a matter could be given before the cabinet adopts a decision, before the various assessments are brought to its knowledge, or before a majority decision is taken, as befits a democratic regime. [passage omitted]

Cancels Trip to U.S.

TA3107050091 Jerusalem Qol Yisra'el in English 0400 GMT 31 Jul 91

[Text] Housing Minister Ari'el Sharon has canceled a trip to the United States. Minister Sharon had been scheduled to leave this morning. During the visit he was going to address members of the United Jewish Appeal, but the housing minister's spokesman says Sharon decided it would be best not to be out of the country at a time when the government is expected to make important diplomatic decisions.

'Temporary Settlement' Established at Barqan Bet

TA3007171591 Jerusalem Qol Yisra'el in Hebrew 1600 GMT 30 Jul 91

[Text] Forty temporary structures were set up today in the industrial zone in Barqan, near Ari'el. To all intents and purposes, a temporary settlement has been established at the site. Crews were busy today leveling the ground and preparing it for settlement. Our correspondent reports that approximately 70 families will be living in the new settlement of Barqan Bet as of next week. These families are waiting for their homes to be completed in Samaria.

Milo on Peace Process, Talks With Syria

TA3007160191 Tel Aviv Educational Television Network in Hebrew 1400 GMT 30 Jul 91

[Interview with Police Affairs Minister Roni Milo in the Jerusalem studio by Dan Shilon in the Tel Aviv studio—live]

[Text] [Shilon] Good evening. Is Israel's answer to Baker indeed positive, and does Israel intend to participate in the peace conference?

[Milo] The direction is positive. I think we are taking increasingly robust steps toward direct talks on peace. As

is known, these talks will open with a regional conference in Washington or elsewhere. It seems to me that we are close to concluding the issue and beginning the talks.

[Shilon] Will that be an ongoing regional conference?

[Milo] I think that the basic conditions that we posed at the outset have been almost completely fulfilled. One of those conditions was that the conference would not be an ongoing one. It will rather be a regional opening session that will last a short while and that will be immediately followed by direct talks between Israel and its neighbors, aimed at leading to peace.

[Shilon] Is it absolutely clear today what role the United Nations will play in these negotiations?

[Milo] I am not sure this point has been fully concluded yet. As is known, we do not want the United Nations to have an active role in the process. We know the UN positions toward Israel. Our experience with that institution is not good. We therefore want to reduce its participation in the peace moves to absolutely nothing. I think that its participation is unnecessary; it cannot contribute anything to these very important moves.

[Shilon] Does the United States share that view?

[Milo] I believe the United States, too, understands that the UN role in this matter is neither constructive nor significant. The United States is seeking maximum, optimal results from Secretary of State Baker's efforts to advance toward peace. One should remember that we have already made big steps in that direction.

The Syrian position, that they are prepared to hold direct, face-to-face peace talks with Israel, is a new, and I would say also revolutionary, position for Syria since the foundation of the State of Israel. We are today facing a new era of peace talks, and although they will not be easy, I believe they may yield positive results and culminate in peace.

[Shilon] While you are saying that the United States understands and perhaps also agrees to Israel's stand on the UN status or role in the negotiations, there is almost no doubt that it does not agree to Israel's stand on the way the negotiations with the Syrians should proceed or how they should be concluded. What shall we discuss with al-Asad when we have a tete-a-tete with him?

[Milo] First, we are dealing here with a more complex picture than just talks with al-Asad. We have the Palestinian issue, the Arabs of Judaea, Samaria, and Gaza, as well as Jordan. One should see the picture in its entirety. On the Palestinian-Jordanian issue, I believe that if we pursue the model we suggested in the Camp David accords—that of autonomy, self-rule, and full [as heard] Israeli presence in Judaea, Samaria, and Gaza—that is a good way to make progress and promote the peace.

As for the Syrians, the question you raised is very important. The only thing I can say in this context though is that, for all my goodwill, I do not think it would be correct for me to hold negotiations on peace with you now. We should sit down....

[Shilon, interrupting] Not negotiations, but, with your permission, a question in principle. Let's return in history to a certain pre-Camp David scene: Menahem Begin faced Anwar al-Sadat at the time. Yitzhaq Shamir is facing Hafiz al-Asad today. Do you see any similarities between these two sets of negotiations?

[Milo] The main point on which I find a similarity is the change in positions. After long years of wars and bad relations with Israel, including harsh verbal exchanges, al-Sadat at the time agreed to hold direct peace negotiations, and peace was indeed achieved. The current change in the Syrian position resembles the change that took place in Egypt years ago. At the same time, there are differences. First, we do not see al-Asad making a dramatic move such as President al-Sadat's: He is not coming to Jerusalem, nor is he prepared to take the steps that are called for, I would say, to demonstrate the rapprochement between the two countries. Still, I can also understand that this will be a slower, more complex process, which will find expression in the international meeting we will hold as an opening for direct negotiations. When we do sit down with al-Asad, I believe, we will certainly be able to talk with him about a way for peaceful coexistence between Israel and Syria. The Golan Heights is not the Sinai. There is no room for comparison. If you ask the members of kibbutzim or other residents of the Golan—or for that matter, any Israeli citizen who remembers the hard times we experienced under Syrian provocations from the Golan—it will be clear to all that under no circumstances can we return to such risks. We will therefore exercise caution, and hold careful and serious negotiations. I believe we can succeed in them, achieving conditions that will jeopardize neither our security, nor the Golan Heights, but that can still bring peace.

[Shilon] Today we also heard remarks about the renewal of relations between the Soviet Union and Israel. Do you see this as a matter of days, or perhaps hours, now?

[Milo] In my estimation, the news here is largely connected with the convening of the first peace session and the subsequent direct peace talks. After all, our condition, from the very start, for Soviet participation in the move was full diplomatic relations with Israel. This is an international gathering in the region, a regional conference in which the United States and the Soviet Union play the dominant role, so it is inconceivable that one of these countries not maintain full diplomatic relations with Israel. It seems to me, therefore, that since progress toward the regional meeting and the peace talks is very rapid, the renewal of relations with the USSR will also occur rapidly.

[Shilon] In conclusion, the foreign minister is in Cairo and is meeting with President Mubarak. Does it not trouble you that the president of Egypt, the country that

made peace with Israel, has stubbornly refused to meet with the Israeli prime minister for a long while now—has never met him, in fact?

[Milo] That does trouble me. I think that normal relations between countries call for occasional meetings. Moreover, I believe that the Egyptian president's attacks on the Israeli prime minister are harmful to the peace process and the atmosphere of peace that should prevail here. I very much hope the Egyptian president will mend his ways. Still, regardless of this or that remark, we will continue to work to advance the peace. This is the important matter today. Peace is important for the state and people of Israel, as well as for the entire Middle East. I do hope we will succeed in this.

[Shilon] Roni Milo, thank you for coming to our Jerusalem studio.

U.S. Concerns About Arrow Failure Answered

TA2207135391 Tel Aviv HA'ARETZ in Hebrew 22 Jul 91 p A3

[By Re'uven Pedatzur]

[Excerpts] An extraordinarily sharp letter was sent to the defense establishment by the U.S. "Star Wars" project command in reaction to an Israeli report on the results of the second experimental launching of the Arrow missile on 25 March. In the letter, the Americans hint they believe an attempt was made to conceal information from them on what really took place during the experiment, which was marked by a failure after 26 seconds.

The letter, signed by General Hammond of the SDI Command, conveys the writer's doubts about the reliability of the Israeli report on the experiment. He writes that after he talked with all Israeli elements involved in the experimental launch, he found that their versions did not match, which raises questions about the official Israeli report. [passage omitted]

In reaction, Israeli sources who are well informed about the Arrow project said that the problem involved in the reports to the Americans lies in "Jewish disputes." "Air Force people do not speak with experts of the Israeli Aircraft Industries [IAI], Defense Ministry personnel are not on good terms with Air Force people, and each party is trying to place the blame for the failure of the experiment on the other." The result is that after the report was sent to the United States, the Americans, who held talks with all Israeli elements concerned, found different and contradictory versions.

An examination of the failure during the second experiment indicated it was caused by an interruption in the work of the central computer. [passage omitted]

The next Arrow experiment will take place toward the end of summer. The initial plan was to conduct the third experiment sooner, but for reasons independent of the project itself the launching date had to be postponed. Plans are for an Arrow missile to intercept another Arrow, for the first time, in the course of the third experiment.

An IAI management source who confirmed the receipt of the strongly worded U.S. letter clarified that the reason for the partial report given the Americans immediately after the launch was a lack of full information on the nature of the fault. When that report was given, all data collected during the launch had not been fully analyzed. There was surely no intention to conceal information from the Americans.

According to the source, the Americans have received all IAI explanations, and at the last meeting, held at the beginning of the month, the U.S. representatives even expressed satisfaction with the level of information given them by the IAI and by the action taken to correct the fault.

Army Chief of Staff on Trends in Intifadah

Sees Increased Use of Firearms

TA3007172691 Tel Aviv IDF Radio in Hebrew 1400 GMT 30 Jul 91

[Text] Chief of Staff Ehud Baraq today came out with a gloomy prognosis regarding the security situation in Judaea and Samaria. The chief of staff said the Arabs of Judaea, Samaria, and the Gaza Strip now possess many firearms and weapons, and under certain conditions they might use them against us. The chief of staff made those statements during a meeting in Ari'el with the leaders of the settlers in the territories. Our correspondent Ahuva Shilo reports:

Chief of Staff Ehud Baraq today conducted his first tour of the Jewish settlements in Judaea and Samaria. He visited Gush 'Ezyon, Psagot, and Ari'el, where he met with settler leaders for a discussion of security affairs.

Chief of Staff Baraq expressed admiration for the rapid development of the settlements. He praised the Jewish settlements in Judaea, Samaria, and the Gaza Strip, which are successfully and patiently confronting the challenge of the intifadah. The IDF [Israel Defense Forces] could not have handled the intifadah were it not for the fortitude of the Israeli residents in the territories, the chief of staff said. Lieutenant General Baraq discussed the rise in the number of recent incidents involving the use of firearms. Baraq said that the Arabs in Judaea, Samaria, and the Gaza Strip today possess many firearms and weapons. Some of those weapons are not meant for terrorist attacks, but in certain situations the residents may employ their weapons against us.

At the end of the meeting, the heads of the local councils in Judaea, Samaria, and the Gaza Strip said that they had been favorably impressed by the chief of staff, who had shown a serious and matter-of-fact attitude toward their problems.

[Jerusalem Qol Yisra'el in Hebrew at 1500 GMT on 30 July adds: "The chief of staff said that there are armed gangs belonging to terrorist organizations in the territories. The IDF and the security forces are making efforts to apprehend them." The report notes: "In an interview with our correspondent Moti Amir, Lieutenant General Baraq said that the IDF is constantly searching for ways to cope with the changes in the intifadah's methods, which have been manifested in a rise in the number of incidents involving firearms. The IDF is examining measures that will give the soldiers the freedom to take action within the limits of the law even when faced with terrorist activity. Whenever a soldier is in mortal danger, he is permitted to shoot to hit his assailant. This rule also applies when firearms or makeshift weapons are used, or when there is an attempt to stab or otherwise harm a soldier."]

Plans 'Less Visible' Methods

TA3007195091 Jerusalem Israel Television Network in Hebrew 1800 GMT 30 Jul 91

[Excerpts] Chief of Staff Ehud Baraq today said that the rise in the use of firearms in the intifadah would force the IDF [Israel Defense Forces] to adopt different, more clandestine, more flexible, and less static modes of activity in order to cope with the phenomenon. That is what the chief of staff told our correspondent following a tour of Jewish settlements in Judaea and Samaria. Here is the report by Beni Liss.

[Begin recording] [passage omitted] [Liss] Will we witness different maneuvers in the field?

[Baraq] We will not witness any maneuvers. We will see a continued change in the effort, from fixed, static, and repetitive activity to activity that is less visible, more mobile and flexible; that tries...[changes thought] with a greater stress—as has been done for many years—on following intelligence leads. [end recording]

Syria Ordered 'Terrorist' Groups Not To Attack

TA3007100891 Tel Aviv 'AL HAMISHMAR in Hebrew 30 Jul 91 pp 1, 4

[Report by Avi Bnayahu and news agencies]

[Excerpt] Senior Israeli sources report that Syria has recently issued an unequivocal directive to the terrorist organizations operating under Damascus' wing not to carry out attacks against Israel and the security zone in south Lebanon. The sources added that the Lebanese Army's next objective will apparently be to disarm Hizballah under Syrian supervision. The sources added that Hizballah, which numbers a few hundred activists in south Lebanon, remains the most prominent organization operating against Israel and carrying the banner of the struggle. [passage omitted]

Paper Calls for 'Urgent' Arab Meeting on Peace

JN2907071191 Amman AL-DUSTUR in Arabic 29 Jul 91 pp 1, 18

[Editorial: "Israel Wants Land and Peace"]

[Text] At a time when the Israeli Government was expected to give a positive reply to the proposed U.S. plan on holding the international peace conference, Yitzhaq Shamir and the Israeli fanatic right-wing leaders continued to make impossible conditions that would eventually thwart the idea of holding the conference.

The U.S. Administration continued to express its desire to receive the Israeli reply to its peace plan, but the Israeli leaders linked their reply to receiving a U.S. answer on the nature of the makeup of the Jordanian-Palestinian delegation as well as other answers which the Israeli leaders said were needed before declaring their position on the conference.

In the meantime, the Israeli leaders have not missed any opportunity over the past few weeks to declare that any possible peace with the Arabs will not include relinquishing the occupied Arab territories, whether in the Golan, the West Bank, or Gaza Strip, not to mention Arab Jerusalem. Such declared Israeli positions raise an obvious, direct question about the sort of peace Israel will receive from the Arabs if such a peace does not eventually lead to the restoration of the occupied Arab territories and legitimate rights.

In return for what can the Syrians and Palestinians strike a peace agreement with the Israelis if this peace would maintain the Israeli control over their occupied territories? Does anybody in Israel believe that the Arab side, no matter how weak and divided it is, would accept peace that is based on occupation, confiscation, and expansion?

We believe that the core of the current Israeli maneuver is that of rejecting the peace option and resisting any formula that might force Israel to relinquish the occupied Arab territories. Hence, we call on the Arab parties concerned with the fate of the peace process in the region to hold an urgent meeting at the highest possible political level to reevaluate the situation, explore all possible options, and employ their full diplomatic capabilities so as to make the United States apply enough pressure on Israel in the hope that this would end the Israeli disobedience of international law and the declared Israeli defiance of international legitimacy.

U.S.-Soviet 'Open Invitation' to Talks Sought

JN3107091691 Amman AL-DUSTUR in Arabic 31 Jul 91 pp 1, 14

[Editorial: "The Beginning of an Era or End of a Chapter?"]

[Text] The Middle East question seems to have figured prominently in the U.S.-Soviet summit talks currently under way in Moscow. Statements by U.S. and Soviet officials indicated a joint interest and desire to progress along the path of establishing peace in the Middle East. Perhaps the clearest evidence of the attention the leaders of the two superpowers are giving to the Middle East question was U.S. President George Bush's announcement that both Washington and Moscow are committed to a peaceful settlement to the Arab-Israeli conflict. This represents a new open pledge by the U.S. President to overcome the last obstacles to peace in this part of the world.

Now that the Arabs have offered all they can to ensure the success of the diplomatic process, the two leaders are undoubtedly aware that Israel and its impossible conditions are the last obstacles preventing the attainment of a just and comprehensive settlement in the Middle East. Therefore, we expect the Moscow summit to put a final end to the prevaricating Israeli policy by extending an open invitation to the long-awaited peace conference and by placing all concerned parties, including Israel, before a decisive fact that leaves no room for more Israeli blackmail and procrastination.

Thus, the Moscow summit, which is being held in the best political atmosphere that has ever existed between the two superpowers, can be a unique historic opportunity to display unprecedented diplomatic firmness in confronting the Israeli policy of rejection and breaking that vicious circle which resisted all diplomatic efforts to establish peace in the Middle East.

As we hope that George Bush and Mikhail Gorbachev would reach direct agreements on various bilateral and international issues, we hope even more that the two leaders would realize substantial success vis-a-vis the Middle East question. Thus, the results of this summit will be regarded as a great beginning of a long series of peaceful developments in the Middle East.

Cooperation With Iraqi Governorates Established

JN2907183291 Amman Radio Jordan Network in Arabic 1500 GMT 29 Jul 91

[Excerpts] Jordan and Iraq have signed the minutes of the meeting and talks held by their respective delegations at the al-Mafraq Governorate building to step up cooperation between al-Mafraq and al-Anbar Governorates and facilitate the transit of citizens between the two countries. Our correspondent in al-Mafraq Ghazi Haddad has the details:

[Begin recording] [Haddad] The Jordanian and Iraqi sides exchanged documents of the minutes of the meeting held during the visit to Jordan by Mr. Jasim Muhammad al-Rikabi, the governor of al-Anbar, and during which he conferred with the interior minister, the public security chief, and the governor of al-Mafraq, along with other officials. [passage omitted]

The Iraqi delegation departed Jordan at noon today via al- Ruwayshid. Al-Mafraq Governor Mahmuad al-Sari and other officials were on hand to see them off. [end recording]

Border Issues Agreement Signed

JN3107063591 Amman JORDAN TIMES in English 31 Jul 91 p 3

[Excerpt] Amman (J.T.)—Jordan and Iraq have reached agreement over border issues and crossings by nationals from either side, and on matters related to grazing of animals by local farmers.

The agreement, which followed several days of talks between the two sides through al-Anbar Governor Jasim Muhammad al-Rikabi and the Governor of the al-Mafraq region, Muhamud al-Sari, was in implementation of a protocol signed in March 1984, according to the Jordan News Agency, Petra.

Under the agreement, the two sides will take measures to organise freedom of travel and deal with matters related to border issues between Iraq and Jordan.

The common border witnessed a massive influx of Iraqis into Jordan. It began in May of this year when the Iraqi government allowed citizens to leave the country after a ban that lasted for 10 years. [passage omitted]

$27-Million Grain Agreement Signed With U.S.

JN3007195191 Amman PETRA-JNA in Arabic 1510 GMT 30 Jul 91

[Text] Amman 30 Jul (PETRA)—The appendix of an agreement granting Jordan grain from the United States amounting to 241,000 tonnes of sorghum and corn worth $27 million was signed at the Planning Ministry today. The Ministry of Supply will be responsible for selling the grain to the private sector in order to produce local currency to be reused in financing productive food and other agricultural projects.

The agreement was signed on behalf of the Jordanian Government by Planning Minister Dr. Ziyad Fariz and for the United States by U.S. Ambassador in Amman Roger Harrison. It should be noted that in 1989-1990 the United States had provided the Kingdom with a total of 546,000 tonnes of grain for animal use worth $54 million. This was part of a continuing program to secure fodder for cattle and poultry.

Trade Minister on Implementing IMF Program

JN3107061191 Amman JORDAN TIMES in English 31 Jul 91 p 3

[Text] Amman (J.T.)—The Jordanian government is keen on implementing the economic restructuring programme, that had been agreed on with the World Bank and the International Monetary Fund (IMF), to help Jordan develop its industry, agriculture and increase its exports, Minister of Trade, Industry and Supply 'Ali Abu-al- Raghib said Tuesday.

"The government has already embarked on a number of measures that would help it implement the programme and the Ministry of Trade, Industry and Supply has worked out a detailed plan to help the World Bank and IMF teams carry out their missions in the country," the minister said at a meeting with a visiting World Bank team.

The ministry has worked out a programme by which the team members would visit the various production sites over the coming two weeks and discuss with government officials and businessmen matters related to exports and industry, the minister said.

Mr. 'Ali Abu-al-Raghib expressed the Jordanian government's wish to benefit from successful experiments carried out by other countries in implementing economic restructuring programmes and also from the team's ideas and views in this respect.

In May of this year, an IMF team visited Jordan to pave the way for talks on the implementation of the programme in the wake of the Gulf crisis which had its adverse effects on the Kingdom.

Jordan has since stopped settling it debts to other countries and banks as Prime Minister Tahir al-Masri has said in his statement to parliament. He said that the repayment of the country's debts was postponed until further notice.

The IMF team met the governor of the Central Bank of Jordan in May and discussed matters related to the programme and debt servicing. It noted that they were satisfied with the country's economic performance under the circumstances.

Jordan, which is indebted to foreign countries and banks by $8.2 billion, had reached agreements with the bank creditors, grouped in the London Club, on rescheduling terms of payment. It also reached agreement with the Paris Club, of government creditors.

The World Bank team had arrived here last Sunday on a two-week visit to Jordan. According to the Jordan News Agency, Petra, the team members will concentrate their talks on Jordan's exports development, the development of industry and investments, technical and financial assistance to the Kingdom from the World Bank and related matters.

Prime Minister, Speaker Depart for Syria

NC3007114091 Beirut Radio Lebanon in Arabic 1030 GMT 30 Jul 91

[Text] Prime Minister 'Umar Karami and Chamber of Deputies Speaker Husayn al-Husayni left for Damascus today to bolster cooperation with Syrian officials and contact Palestinians. Their talks with Palestinian officials will deal with ensuring the civil and social rights of the Palestinian refugees in Lebanon. A Lebanese-Palestinian dialogue is scheduled to begin in Beirut today on this issue between the Ministerial Liaison Committee and a unified Palestinian delegation. The visit to Damascus comes 48 hours after the Lebanese-Syrian summit was held in Damascus during which Lebanon and Syria coordinated their position on the possible peace conference.

Karami Returns After Talks

NC3007192991 Beirut Voice of Lebanon in Arabic 1915 GMT 30 Jul 91

[Text] Prime Minister 'Umar Karami has returned to Beirut from Damascus after holding talks with Syrian Vice President 'Abd-al-Halim Khaddam on current local and regional developments.

Buwayz Comments on U.S. Envoy's Statement

NC3107133991 (Clandestine) Voice of the Mountain in Arabic to Lebanon 1130 GMT 31 Jul 91

[Excerpt] Foreign Minister Faris Buwayz has said that the UN Security Council is demonstrating weakness and is procrastinating over implementing Resolution 425. He added that the resolution should in no way be linked with either the domestic situation in Lebanon or regional and international developments. He remarked that claims that Lebanon lacks a strong central government or a strong army are not valid and noted that Lebanon is rebuilding its state institutions and has refuted all such Israeli pretexts.

Commenting on a statement by U.S. Ambassador Ryan Crocker that all foreign forces must leave Lebanon if Resolution 425 is to be implemented, Buwayz said: I do not believe that Ambassador Crocker intended to link implementing this resolution to the Syrian presence. He knows perfectly well that the time has come to implement, indeed to impose, Resolution 425, while the time to act in connection with the Syrian presence in Lebanon, which is entirely legitimate under the al-Ta'if agreement, has not yet come. [passage omitted]

PSP Leader Denies Arms Exports to Yugoslavia

NC3007140291 (Clandestine) Voice of the Mountain in Arabic to Lebanon 1130 GMT 30 Jul 91

[Text] The PSP Foreign Relations Bureau issued the following statement regarding reports by some foreign news agencies, THE HERALD TRIBUNE, and some Arab newspapers about arms exports from Juniyah to Yugoslavia and the suggestion that the Progresive Socialist Party [PSP] is connected with this matter:

Attorney Durayd Yaghi, PSP deputy leader for foreign relations, received Yugoslav Ambassador to Lebanon Bogdan Isoski this morning. They comprehensively reviewed the situation in Lebanon and the region and the recent developments in Yugoslavia.

Yaghi referred to the fabricated reports carried by the aforementioned news agencies attributed to Lebanese Army sources. He said the Lebanese Army denied the report completely on 30 July 1991.

Lawyer Yaghi noted that the PSP has publicly handed over the weapons of its Popular Liberation Army to Syria in the presence of media representatives. He said that the PSP has absolutely nothing to do with the arms exportation from Juniyah. Therefore, he said, the PSP warns the sources and propagators of these lies, whoever they may be, of the consequences of such actions.

Meanwhile, the Yugoslav ambassador asked Yaghi to convey his greetings to the PSP leader and expressed his appreciation of the continuing historic ties between the PSP and the Yugoslav Government and people. The ambassador noted that the Yugoslav Embassy in Beirut has all the correct information on the arms exports issue.

First Meeting on Palestinian Rights Begins 30 Jul

NC3007133791 (Clandestine) Voice of the Mountain in Arabic to Lebanon 1130 GMT 30 Jul 91

[Text] At approximately 1300 today, the first meeting began between the Ministrial Liaison Committee and a Palestinian delegation led by Talal Naji, member of the PLO Executive Committee. It also comprised Sami Qandil and Abu-Hasan representing the al-Sa'iqah Organization; Abu-'Ali Mahdi Bsisu and Abu-Fadi Hammad, representing Fatah—the Uprising; 'Abd al-Karim 'Umar, independent; Abu-Al-Qasim, revolutionary communist; Fadl Shruru and Abu-Rushdi, representing the Popular Front for the Liberation of Palestine-General Command; Walid Khalid, representing Fatah—the Revolutionary Council; and Nasib Shuqayr, representing the Communist Party. The discussions will deal with the Palestinians' civil and social rights.

Before the meeting, Minister Shawqi Fakhuri [member of the Ministrial Liaison Committee] said: We must open the file of the Palestinian people's civil rights. This issue concerns the Palestinian people who have asked us to discuss their civil rights, and we welcomed this. We are prepared to receive a memorandum on all the rights they consider legitimate. He indicated that the committee might receive this memorandum today. If it does, he said, the memorandum will be reviewed and discussed.

He added: Primarily we are very much in need of statistics. Based on these statistics, we will formulate a general concept regarding the number of Palstinians

residing on Lebanesae territory and the dates and reasons for their entering Lebanon, etc. The Ministrial Liaison Committee will seek the aid of specialized committees to prepare studies on this. This requires some time.

He emphasized that the Palestinian demands will not be dealt with today. We will only listen to what they have to say and what they will present to us. He indicated this subject will be presented to the cabinet once a comprehensive and detailed report is prepared.

PLO Representative 'Absent'

NC3007175091 Beirut Voice of Lebanon in Arabic 1615 GMT 30 Jul 91

[Excerpts] The Ministerial Liaison Committee, composed of Ministers 'Abdallah al-Amin and Shawqi Fakhuri, has held the first meeting with a Palestinian delegation. The meeting, described as preparatory, dealt with general issues and not the Palestinian memorandum, Minister al-Amin said. He added that the Palestinian leaders are seeking to form one Palestinian delegation for talks with the Lebanese Government on everyday affairs. Responding to a qestion on the nature of the Palestinian people's civil and social rights, Minister al-Amin said: We are as concerned about the Palestinian people as we are about the Lebanese. [passage omitted]

The first meeting of the Ministerial Liaison Committee with a number of representatives of the Palestinian groups was intended to pave the way for decisions, not to make them, because the PLO representative was absent from the meeting without explanation. Some attributed his absence to inter-Palestinian differences. The discussions dealt with general topics related to the Palestinians' civil and social rights. We have learned from sources in the Ministerial Liaison Committee that the Palestinian party demanded that the Palestinians be given residence permits and travel documents allowing them to leave and return to Lebanon. In return, the Palestinian delegation will agree that the Palestinians have no rights to engage in politics in general, particularly internal politics, and will abide by Lebanese laws.

Regarding the reconstruction of the Palestinian refugee camps, the Lebanese party stressed that this issue is not on the cards because Lebanon is in dire need of rebuilding the homes of the Lebanese first. These sources said the date of the next meeting will be fixed after the formation of a unifed Palestinian delegation and the drawing up of a Palestinian memorandum on civil rights.

These sources disclosed that the Lebanese side started to conduct a census of the exact number of Palestinians with the help of various sources, both local government sources and the United Nations Relief and Works Agency. The sources said that the committee began drawing up an initial concept of the Palestinians' civil rights that will not be disclosed until the Palestinian concept is received.

Salah Salah, the Palestinian representative in Lebanon, said that in order to avoid any misinterpretation, agreement was reached between the PLO factions and the Palestinian National Salvation Front groups to form a unified delegation for talks with the Lebanese ministerial delegation on the Palestinians' civil and social rights. He said that the date of the dialogue on various issues will be set later. He expressed his satisfaction with the positive climate prevailing among all Palestinian groups. He noted that this climate will have a positive effect on the negotiations with the Lebanese ministerial delegation.

The PLO political leadership in Lebanon welcomed the Lebanese Government's decision to initiate a dialogue on the civil and social rights of the Palestinians. It expressed readiness to form a unified Palestinian delegation comprising all the Palestinian groups for dialogue with the Lebanese Government. [passage omitted]

Wahbah on Exclusion of PLO

NC3007194691 Beirut Radio Lebanon in Arabic 1900 GMT 30 Jul 91

[Text] PLO representative in Lebanon Zayd Wahbah has accused the Lebanese Government of wanting to exclude the PLO from the meeting held today between Ministers 'Abdallah al-Amin and Shawqi Fakhuri and a Palestinian delegation, in which not all the Palestinians were represented. In a statement to AGENCE FRANCE-PRESS, Wahbah emphasized an agreement had been reached with the Lebanese Government that a representative of the pro-'Arafat Fatah will participate in the Beirut meeting, but that the Lebanese Government has reneged on this.

Meanwhile, Minister al-Amin said that during today's meeting, all the Palestinian groups were contacted and an agreement was reached that a unified Palestinian delegation will be formed to start talks on the civil and social rights of the Paletinians in Lebanon. Minister Fakhuri affirmed in a press statement that no important subject was raised during today's meeting and that the dialogue will start at the next meeting, in which all the Palestinian organizations will participate.

Hizballah's Fadlallah Comments on Regional Issues

NC2707094091 Tehran SALAM in Persian 16 Jul 91 pp 1, 10

[First of three installments of "exclusive" interview with Hizballah leader Ayatollah Muhammad Husayn Fadlallah by unidentified correspondent in Tehran; date not given]

[Text] [SALAM] How does Your Excellency assess the prospects of the current moves to achieve peace in the Middle East, particularly in light of a leading part being played by the United States and the absence of the Soviet Union?

[Fadlallah] When we examine the question of Arab-Israeli talks or Palestinian-Israeli talks, it becomes clear

that the U.S. approach is based on containing the Arab-Israeli dispute and relegating it to second place as a mere regional issue, a dispute between a non-Arab country and its neighbors.

Everything the United States has said and done indicates that despite the proposals it has made, it has no real interest in solving this issue. The United States and Israel do not want this issue to be settled. Israel is now in the process of carrying out a wide-ranging and multifaceted scheme to gather all the world's Jews, especially those in the Soviet Union, to enable it to entrench its position in the region and, ultimately, to launch a war of expansion. By extending the territory it occupies, Israel hopes to realize its objective of creating a Greater Israel.

I believe that even though Bush says Israel must be prepared to exchange some land for peace, the United States is not only not opposed to this Israeli strategy, but is acting in complete coordination with it. Therefore, I believe that there are no realistic prospects of attaining peace.

There is another issue involved here, and that is what the United States hopes to accomplish by promoting the idea of talks.

The United States conducted the Persian Gulf war in the name of creating a new world order. It claims it wants all international problems to be solved and will not allow a smaller country to be subjected to aggression by a larger one.

The United States promised the Arabs who allied themselves with it, who approved the deployment of its forces in the region, and who helped it fulfill its designs, that it would work to solve the Middle East issue. Bush said that he now wants to win the peace after having won the war. I believe that the U.S. peace proposals were intended to pacify the popular Arab anger resulting from the U.S. victory in the Persian Gulf.

These proposals were also designed to enable Arab regimes to defend their alliance with the United States by enabling them to show their people that this alliance has not been pointless after all, because the United States is fulfilling its promise to restore peace and tranquillity to the region.

Therefore, we view U.S. Secretary of State Baker's shuttle missions to the region as more of a public relations campaign than a political one. This is quite clear to us, as we are certain that the United States has no intention of exerting the same kind of pressure on Israel it exerted on Saddam. Did not the United States justify its war with Iraq on the grounds that the UN resolutions had to be respected? Why, then, does it not attach the same importance to the many resolutions adopted over the years on the Lebanese and Palestinian issues?

We believe there is no difference between the United States and Israel; the latter is a mere extension of the former. The United States is ready to fight the whole world to defend Israel's existence and security. The two countries are working in complete harmony, and the United States is certainly not inclined to exert pressure on Israel.

Furthermore elections are approaching in the United States, and Zionist circles there can have a great impact on their outcome. Accordingly, the U.S. President does not want to do anything that could entail a setback for his party.

When we examine the matter from the Arab side, we note the political and military instability that prevails in these countries.

I believe that the United States is playing for time. All these shuttle missions, all these talks, and all these pressures are delaying tactics to enable it to achieve its objectives while giving people the impression of movement.

[SALAM] Your Excellency referred to the Jewish influx to the occupied territories. We believe this plot to alter the demographic character of this area is being extended. It is even being said that plans are afoot to bring in Jews from Islamic countries. What do you think of the Arab and Islamic regimes which favor the transfer of Jews to occupied Palestine?

[Fadlallah] There can be no doubt that most leaders of Arab and Third World countries are agents of the CIA, the U.S. espionage service. These people totally disregard the demands of Islam or nationalism (if we wish to use Arab nationalism as a criteria to evaluate them). They have no sense of their sacred duty to confront their enemies with the religious or nationalistic support of their people.

I think that such people are nothing more than defenders of the interests of U.S. imperialism, and as such they oppose all Islamic and nationalistic movements. In my opinion, the Arab regimes which paved the way for Israel's emergence by betraying the aspirations of their people, ordering their forces to retreat or issuing them with defective weapons, are still in power today. They are succumbing to U.S. pressure and ploys and helping to carry out the U.S. scheme to transfer Jews from Muslim or Arab countries to Palestine in order to strengthen Israel's position.

I believe that the plan pursued by the former leaders and monarchs at the outset of the usurpation of Palestine, whereby Jews were transported from Iraq, Tunisia, Yemen, and other countries to Palestinian land so that they could form the nucleus of Israeli society, is the very same plan that is being implemented today.

[SALAM] While were are on the subject of regional issues, please tell us what the United States wants to achieve by disarming the Middle East and how its moves in this direction fall within the framework of its plans for a new world order.

[Fadlallah] I believe that the United States wants to create an international system in which it alone has any real say, to the extent that international conditions and its relations with other powerful countries allow; that is, how much economic and military pressure it can bring to bear on Europe, the Soviet Union, and Japan. Accordingly, I believe that the framework for this order has not yet been clarified because there is still no clear definition of what constitutes an international dispute. It will take time before the full implications of this concept are defined. Using the term new world order is, therefore, nothing but a U.S. attempt to create a kind of bugbear to pave the way for future international acceptance of its demeaning conditions or for acknowledgement of its position as the only superpower.

We believe that the term new world order is nothing but empty words, largely intended for foreign consumption through the overseas media affiliates of the United States. (to be continued)

Part II

NC2707123291 Tehran SALAM in Persian 17 Jul 91 p 8

[Second of three installments of "exclusive" interview with Hizballah leader Ayatollah Muhammad Husayn Fadlallah by unidentified correspondent in Tehran; date not given]

[Text] [Fadlallah] As for the security arrangements envisaged for the Middle East, whether in the context of the Persian Gulf countries or a wider region, we believe that for the United States, the main object of these arrangements will be to prevent the emergence of any threat to the oil interests of the West, which it leads.

The Western countries regard the oil resources of the Arab world as part of their own strategic resources and thus wish to forestall the rise of any power in the region that may seek to achieve self-sufficiency and gain control over its own resources. These arrangements are also aimed at preventing these countries from acting in the interests of their own people.

Another aspect of the Western, and particularly American, program is that it seeks to block the emergence of any liberation movement in these countries so their peoples cannot free themselves from the shackles of Western colonialist hegemony.

It is for these reasons, and to protect its interests, that the West wants to control arms in the region. Iraq's occupation of Kuwait gave the United States a pretext to stockpile weapons and military equipment in the region. It should be noted here that not only does the United States not protest Israel's massacres, but it also does not object to Israel's possession of nuclear weapons!

We should remember that during a recent visit to Israel, the U.S. secretary of defense signed an agreement on producing long-range and ballistic missiles, which he defended on the grounds that they would be used for defensive purposes. Another plot is now being hatched to weaken all the Arab countries and render them powerless before Israel, thereby making this U.S. ally the most powerful country in the region and enabling the United States to pursue its objectives at will.

[SALAM] Clearly the threat posed by Israel will be much greater if the United States succeeds in disarming the Arab countries at the same time that it strengthens Israel. In Your Excellency's view, what does this mean for the future of the Middle East?

[Fadlallah] It is natural that the United States should seek to bolster Israel's position as the strongest country in the region, and it has extended every form of political, economic, security, and military aid to it with this aim in mind. This support is occasionally punctuated with lukewarm protests intended to mollify Arab anger over Israel's building of Jewish settlements, its repression of the Palestinian intifadah, or its aggresssion against the oppressed Lebanese.

I fear that the future awaiting the Middle East may be known as the American era and that difficulties lie ahead. The United States, with the help of Israel and certain reactionary countries like Egypt and the Persian Gulf states, wants to determine not just the region's military future but its political and economic one as well. The Muslim people of the Middle East and the rest of the Islamic world, particularly those in Islamic Iran, thus have a duty to find the levers of power and sources of strength that will enable them to control their own destiny.

We believe that reports about the multifaceted and unrivaled strength of the United States are greatly exaggerated. The regional nations have many sources of strength and superiority even now, which they can use, either within the region or without, against the United States in those vulnerable areas. Nevertheless, this is not an easy task where empty slogans will suffice. No. Experience has shown that people subjected to tyranny can rebel against idolatrous oppressors and rise up against great powers, but this requires careful planning.

[SALAM] Can Your Excellency elaborate on the responsibilities of Islamic factions and movements, especially regarding their role in neutralizing the U.S. plans?

[Fadlallah] The world's Islamic movements, chief among which is the Islamic Republic of Iran, have a clear and great duty to bring about the defeat of U.S. plots.

The Islamic Republic of Iran, which offers the best example in contemporary history of an Islamic revolution that resulted in the creation of an Islamic government and which has an able and aware leadership, is well qualified to be the leader of the Islamic world.

I believe that the Islamic revolution can play a major role in mobilizing all the world's Muslims, and particularly those of the region, against the U.S. plots. It can also play

a leading role in keeping alive the hallowed fury and spirit of unrelenting collective and individual resistance to the United States so that future generations of Muslims continue this tradition of hostility toward the United States.

The problem we now face is that certain regimes are calling on Muslim nations to follow the line of compromise and surrender so that these nations capitulate even before they enter the fray against the United States.

We believe that a struggle at this point, although it may lack everything necessary for a decisive confrontation with the United States, could draw on our inner resources and culminate in victory by relying on the boundless divine power and our self-dependence and self-confidence. We must thus work to cast off that feeling of weakness which the regional regimes are trying to instill in us.

I believe that Muslim strugglers all over the world have no recourse but to reach an understanding with the Islamic Republic of Iran and to make long-term plans to combat the U.S. plots and transform the American era into an Islamic one in which Islam's sovereignty can be extended throughout the world.

[SALAM] How has the end of the cold war affected the Islamic Revolution on the regional and international levels?

[Fadlallah] The cold war between the East and the West enabled many oppressed peoples to liberate themselves from colonialism because of the assistance they received from the Eastern bloc, but this assistance was given because the East wanted to gain control over them itself. Although the superpower rivalry gave nations some room to maneuver, it should not be forgotten that the great powers were united on the need to combat any danger from a newly independent country. They would not allow their interests as arrogant superpowers to be endangered.

We clearly saw the superpower concurrence on combating the Islamic Revolution of Iran. The United States, the Soviet Union, and the other members of the Eastern and Western blocs were unanimous in supporting Saddam against the Islamic Revolution.

They acted in this way because they felt that the Islamic Revolution threatened their arrogant interests. We can conclude, therefore, that oppressed countries and enslaved peoples could only act freely if they did not threaten the interests of the superpowers.

Now that the cold war has ended, the Soviet Union has relinquished its posture of confrontation with the United States and has joined the camp of those countries that support U.S. policy, as we witnessed during the Persian Gulf war. (to be continued)

Part III

NC2907202491 Tehran SALAM in Persian 18 Jul 91 p 12

[Third and last segment of "exclusive" interview with Hizballah leader Ayatollah Muhammad Husayn Fadlallah by unidentified correspondent in Tehran; date not given]

[Text] Continuing his answers to the question on the effects of the events in the aftermath of the cold war on the trend of the Islamic Revolution at the regional and international level, scholar Fadlallah said: Just as we observed in the minute by minute events in the Persian Gulf war, as well as in the mode of conducting peace talks between Arabs and Israel, we witnessed clearly the unity between the Soviet Union and the West. Undoubtedly, the Soviet Union is one of the countries which is in favor of bringing about Greater Israel. It is for this reason that it has opened up the path for the emigration of millions of its Jews to Israel.

The Soviet Union knows that with this emigration of Jews to Israel, it is destroying all the conditions for peace and depriving the people of Palestine of the right to decide their own destiny. We cannot state that the Soviet Union has become absolutely subservient to the United States, but the end of the cold war is not very beneficial to most of the liberation- and freedom-seeking movements because the Soviet Union is now involved in maintaining its own internal equilibrium and is striving to put its own house in order politically and socially.

The danger stems from here. The United States is seeking to capitalize on the situation in view of the weakness and impotence of the Soviet Union and the upheavals in Europe. In general, the Soviet Union is seeking to preserve its domestic unity and solidarity and in the face of independence-seeking tendencies. Therefore it does not wish to get embroiled in extraneous disputes.

The European countries which are pursuing their long-standing objectives of a European union are encountering obstructionism from the United States and Britain. Therefore, the United States has a free rein and is acting without any impediments on the international issues in such a manner that it has immense influence on the decisions of the UN Security Council. Every resolution that is presented to the Security Council is endorsed by the majority of its members, even if the PRC or any other country abstains from voting.

For example, you observe that when the United States adopts a resolution, no one has the courage to oppose it even though the United States vetoes the proposals of all the other members, whether proposed by the Soviet Union or the PRC. It is natural that the United States feels it is in a position of strength and projects itself as the most powerful country in the world so that it can dominate every country.

In the recent Persian Gulf war, the Western mass media projected Iraq's military might as so massive and invincible that following its victory against Iraq, the United States considers its own military strength invincible and feels it has attained an international victory. The United States is directing its actions toward political, military, psychological, and propagandistic warfare, and for this reason we are obliged to have an intensive assessment of the current situation which is fraught with U.S. threats.

We, the oppressed Muslims of the Third World, believe that the United States is not invincible and it is possible for us, even though it is in the long term, to foil the U.S. tyrannical plots and plans by all means possible.

I consider it necessary to point out a vital issue. It is a divine law that demands that in creation no single country can dominate the entire world. Therefore, the nature and essence of most powers is such that they have the seeds of greatness planted in them, and this gives them the potential of emerging as the poles of power in the future and becoming involved in rivalry and struggles with other powers. We see a manifestation of this fact in the case of the European movement, especially in France, which is the main bulwark of pride in a united Europe.

I do not think that the domination of the United States over the world will be all encompassing in present circumstances. It appears that here and there we see the chinks in the armor of the United States, and we can penetrate these chinks and enlarge them and thus enter the arena of confrontation and struggle against the United States.

[SALAM] Mr. Fadlallah, allow us to proceed toward the Lebanese situation. It is being said that the United States and Israel have reached an agreement on continuing military attacks against southern Lebanon. What is Your Excellency's opinion on the subject?

[Fadlallah] Most certainly, the United States and Israel are always close on preserving one another's strategic interests, and despite this, we believe that this is a particular Israeli trait that it continues to bomb the Palestinian camps and the positions of the Islamic resistance in Lebanon. We view the present operations as having other objectives too; that is, to apply pressure on the Lebanese Government and on the political programs of the Syrian Government in Lebanon in order to bring to fruition their various political plans in Lebanon, especially regarding the other problems and disputes in the Middle East.

Therefore, I imagine that the United States has not only instigated Israel in the recent operations in southern Lebanon, but has also coordinated this program with the Lebanese Government so that this country should not complain to the United Nations about Israel. This is why the Lebanese Government had declared that whenever it wishes to complain to the United Nations, it encounters a U.S. veto.

What concessions did the United States give Lebanon for the Israeli attacks? Only a promise that in the future these attacks would be reduced. These are part of U.S.-Israeli plans for the Lebanese issue.

[SALAM] What is Your Excellency's stance on the disarmament of all the armed groups in Lebanon?

[Fadlallah] Naturally the disarmament of the groups in Lebanon and the confiscation of their weapons has two axes. First, collecting weapons from the militant militias in Lebanon is of immense benefit to the Lebanese civilians. Second, it is the disarmament of the Islamic resistance. Regarding the first axis, our stance is that we do not consider it proper that arms should remain in the hands of hostile political groups with differing policies and be used to spark civil strife which is neither to the benefit of the civilians nor these militias.

It can be said, perhaps, that at the time of the outbreak of sedition in Lebanon, wars took place which were aimed at strengthening the stances of the Muslims against onslaughts by the Phalangists and the Maronites, but the wars that followed among the Lebanese created immense difficulties for them. Now that we are observing the actions of the Lebanese Government, and if we wish to assess its performance we should know whether it is the government of all the Lebanese and whether it can ensure the security of the Lebanese society. Is it able to shelve all the sectarian and political differences? In that case, the disarmament would be useful.

Regarding the second axis, which is the axis of the confrontation and struggle against Israel, it may be noted that Israel has occupied part of the territory of Lebanon, as well as all the lands of the Palestinians, and is seriously threatening the region. Naturally we oppose disarming the resistance, whether of Islamic Lebanon or of the Palestinian or national resistance, because Israel still constitutes a major threat to the region. The Lebanese Armed Forces are still ambivalent about participating with Arab forces to combat Israel. We therefore believe that the armed Muslim combatants should remain in their trenches and positions so they can prevent Israel's advance and bring about its defeat and retreat.

[SALAM] Is it possible that the Islamic and Palestinian resistance can persist in view of the foreign pressure and the peace plans?

[Fadlallah] The resistance in Lebanon, whether Islamic, Palestinian, or national, is in a difficult situation. We believe that in the present circumstances, most of the Arab countries seem to acquiesce to U.S. policies. For this purpose, they wish to beleaguer the resistance in Lebanon just as they wish to entrench and then crush the Palestinian intifadah because the intifadah and the resistance are complementary to one another in combating Israel.

They are like two bright beacons which illuminate the dark and cheerless atmosphere of the world. Today the Arab political system is attempting to create conditions for the defeat and retreat of the Muslims against Israel, just as it had done for the Arabs in the past. In addition, it is being envisaged that the Palestinian people's intifadah and the Islamic resistance in Lebanon are passing through a difficult juncture now, and the future is expected to be even more difficult. With divine succor and the resolve of the Muslim combatants, most of these pressures can be surmounted.

[SALAM] Mr. Fadlallah, can you please tell us how you view the role of the Islamic Republic of Iran in the developments in Lebanon and what will be the future of the relations between Iran and Lebanon?

[Fadlallah] Without any doubt, the Islamic Republic of Iran is playing an active role on the Lebanese scene and for this reason the revolutionary Muslims of Lebanon, Shiite or Sunni, have found the Islamic Revolution as their strongest supporter and defender, which can stand up to world arrogance and international Zionism just as it stood up before the tyranny and oppression of the puppet regimes which suppressed our oppressed Muslims.

Therefore, the Lebanese revolutionary Muslims decided that they would emulate the policy of the Islamic Republic of Iran, as this is the policy of an Islamic revolution which was formulated by Imam Khomeyni (may his soul be sanctified) and calls the Muslim oppressed peoples toward freedom and Islam. On this basis, the Islamic Revolution of Iran led by the imam (may his soul be sanctified) was able to transform the Muslim people of Lebanon into revolutionary Muslims who can confront world arrogance.

As you have seen, the Muslim people of Lebanon were able to expel the multinational NATO forces, spearheaded by the criminal United States, from their country. They were also able to drive out the usurpist Israelis from most of the regions in southern Lebanon and were also able to defeat the 17-month treaty between Israel and Lebanon, which was a precursor to the signing of a peace accord with Israel.

We believe that the Islamic Republic of Iran has extended massive support to the Muslim nation of Lebanon, and this support continues even now as the Muslim combatants are still embroiled in a confrontation with the arrogant and Zionist forces, as well as against the diabolical and idolatrous forces.

It is natural that the colonial and reactionary Arab regimes in the region should strive to disgrace the image of the Islamic Republic of Iran by means of various tactics. By resorting to various ploys, these powers endeavored to project the impression that the Islamic Republic of Iran is the cause of discord among the Lebanese forces and even created a dichotomy between the Shiite forces as is evident from the war between the Amal and the Hizballah.

We have complete documentary evidence in our possession which proves that most of the Persian Gulf countries and some Arab countries had provided financial assistance and arms to the various Lebanese movements so that they may combat the pure line of Islam in Lebanon and the forces allied to the Islamic Republic of Iran in Lebanon.

Perhaps it can be said that the propaganda from the axes of the arrogant forces has been successful in distorting the visage of the Islamic Republic of Iran in Lebanon to a certain extent, but the recent developments and the subsiding of the insane sedition and the return of tranquillity to Lebanon has mitigated the effects of such venomous propaganda.

[SALAM] Your Excellency referred to the relations between the Hizballah and Amal. What is the nature of the relations now among the Lebanese Shiites, especially between the Amal and Hizballah?

[Fadlallah] In my opinion, the war between the Amal and Hizballah has now ended, and there is no possibility of it reverting to the previous situation. This is what I have gleaned from an assessment of the outcome and results attained from the agreement between the two sides in view of the conditions prevailing in the region and Lebanon. This war was not a war of Shiites, but I consider it a regional war against Iran and know that more than one superpower was involved in it.

The superpowers and the regional countries started this war because they feared that the Lebanese Muslim Shiites have come close to Iran and, therefore, they should be distanced from the Iranians.

After Islamic Iran embraced both the Amal and Hizballah groups, their plot remained in the formative stage as their objective was to keep Amal away from Iran. I can say most emphatically that the present realities are that the situation is peaceful and conducive to beneficial cooperation between the two sides, God willing.

[SALAM] The issue of releasing the hostages without the release of the Iranian hostages and the Palestinian and Lebanese prisoners, especially Shaykh 'Abdul Karim 'Ubayd, has inspired apprehension in the anti-American circles. What is your opinion in this regard?

[Fadlallah] In fact I am opposed to the division of issues regarding the release of hostages, and I believe that this issue should be resolved comprehensively. It is essential that the Palestinian prisoners be released from Israeli prisons, and Lebanese prisoners, especially the Muslim prisoners, should also be released from Lebanese prisons and from occupied Palestinian territories. Similarly, it is essential that the Iranians who have been abducted also should be released or at least some information on their fate should be given.

Therefore, we call for the comprehensive resolution of this issue so that this dossier may be closed once and for

all and announced as such so that all should know that neither the noble ones nor the enslaved ones have been incarcerated. If we speak from the humanitarian point of view, everyone should be included, but if they mean something else, it is something that we do not understand.

[SALAM] What would be Your Excellency's stance if conditions were created for the release of the Western hostages in Lebanon and they were released, while the Palestinian and the Lebanese prisoners remained incarcerated?

[Fadlallah] I do not have any direct connection with this issue, so I cannot provide any details. I think this is one of the international political issues, and I do not have any information in this regard.

[SALAM] We will devote our last question to the intifadah of the Muslim people of Lebanon. As one of the pioneers of the Islamic movement and in view of your close proximity to the land of the intifadah and the current developments in the Middle East, how do you assess the course of the intifadah in the past four years? How do you view its future?

[Fadlallah] In my opinion the Palestinian intifadah has brought the people of the world the message that the possibility of victory of blood over the sword constantly exists, just as the people of Iran have proved under the leadership of Imam Khomeyni (may God be pleased with him).

If the intifadah has not been able to become victorious over Israel at present, it has at least been able to shatter the invincibility and pride of Israel and has also been able to condemn the misconception of Israel being stable and secure in the occupied territories.

In addition, the Palestinian intifadah has been able to attract the feelings and actions of the people of the world on an international level. In view of the above gains of the intifadah, once again the intifadah has certain elements which can perpetuate the continuity of the movement. The Muslim Palestinian people have nothing but shackles and fetters so they have nothing to lose.

On the other hand we, the Lebanese, still fear that the economic and political pressure of the Arabs—especially if the political pressure of the Palestinian circles were inducted into the intifadah, coupled with the current international situation which has given Israel the freedom of action to crush the intifadah—will exert an undesirable effect on the Palestinian intifadah.

In my view, the Palestinian intifadah is a popular uprising which has deep roots in the morale of the Muslim Palestinian people, and despite the various pressures, it proves its purity and Islamic identity and will continue on this path. I beseech God Almighty to help the Muslim Palestinians to remain steadfast against the powers of oppression.

Commentary on al-Asad Interview, Regional Peace

JN3007165891 Damascus Syrian Arab Republic Radio Network in Arabic 1130 GMT 30 Jul 91

[Station commentary]

[Text] Syria struggles to bring about peace in the region as much as it insists on restoring the occupied territories and the Palestinian people's rights. This, very briefly, is the theme of leader al-Asad's interview with THE WASHINGTON POST and NEWSWEEK. His remarks caused a deep sense of relief and provided answers to many legitimate questions. It also constitutes a new effort to advance the peace process.

Leader al-Asad was very clear and very frank when he declared that Arab lands were a sacred trust; were part of our history, heritage, and identity; and were not at Israel's disposal for it to seize what it believes necessary under the pretext of security. International law states that it is inadmissible to acquire land by force and also requires Israel to withdraw in exchange for Arab peace. Retrieval of the occupied territories can be seen as a criterion for Israel's sincerity toward peace and for the honesty of international endeavors.

The Zionist entity usurped Syrian, Palestinian, and Lebanese territories as a result of flagrant aggressions. It is using these territories to build settlements and absorb Jewish immigrants. Likewise, it does not hesitate to change religious and historical features and expel residents by using all possible terrorist means. Israel would not have achieved all of this, occupied these lands, and retained what it has usurped if the United States had not extended military, economic, and financial aid year in and year out. While Syria uses the basic requirements of its sons to defend itself and protect the homeland, Israel obtains advanced weapons for free, manufactures conventional and nonconventional weapons, and rejects international inspection.

In light of this, it is Syria, Lebanon, Jordan, and the Palestinians who have the right to receive security guarantees as well as proof that Israel wants peace by Israel allowing them to restore the occupied Arab territories to their Arab owners and enabling the Palestinian people to determine their fate and build their future. Syria responded to the American proposals after President Bush pledged officially and in public to win a just and comprehensive peace on the basis of Resolutions 242 and 338 and the principle of land for peace so that the settlement could cover all fronts, including the Golan Heights.

Although the Israeli leaders always say they will not withdraw from the occupied Arab territories and will not return Jerusalem and the Golan Heights, Syria believes that the United States and the international community are capable of forcing Israel to be logical, to abide by international legitimacy, and to seize this historic, rare opportunity to achieve a real and firm peace—an opportunity Syria and the Arabs have provided by honestly responding to international aspirations and efforts.

The whole world is looking at the Moscow summit and expecting constructive, joint action by President George Bush and President Mikhail Gorbachev to end the Palestinian people's ordeal, save the occupied Arab territories from the fist of Israeli occupation, and provide an opportunity for the region's countries to use their resources for development, prosperity, and cultural and economic creativity. International and U.S. credibility toward detente and relaxation depends on a just solution to the Middle East problem. There will be no solution in the absence of an Israeli withdrawal and of Palestinian rights.

The Arabs made every possible effort to crystallize and advance the peace process. They made a major contribution that won the appreciation of the world. President Bush, President Gorbachev, and other world leaders praised Syria's responsible, important, and decisive response. Nothing, except Israel's intransigence, will hamper peace in our region. We and many others believe that the superpowers and the international community should use appropriate means to remove the intransigence. The superpowers are capable of doing it since they publically pledged not to deal with UN resolutions using double standards.

Council of Ministers Discusses Economic Issues

JN3007123491 Damascus SANA in Arabic 1510 GMT 30 Jul 91

[Text] The Council of Ministers met at 1100 today under the chairmanship of Prime Minister Mahmud al-Zu'bi. The Council of Ministers discussed the work of the services and economic committees, which included a number of measures related to the completion of service projects and economic issues. At the meeting, the foreign minister explained the latest developments concerning the international and Arab efforts aimed at convening a peace conference to achieve a just and comprehensive solution in the region. The Council of Ministers also discussed the draft laws and decrees submitted to it. It agreed to endorse a number of agreements and protocols reached during meetings of the Higher Joint Syrian-Egyptian Committee held in Damascus. These agreements include an agreement to prevent double taxation, a trade agreement to enhance trade between Egypt and Syria, and a protocol on agricultural cooperation and integration. The Council of Ministers also discussed a number of issues listed on its agenda and adopted appropriate measures to deal with them.

Afghanistan

Mujahidin Said Intensifying Jalalabad Campaign

BK3007132991 Hong Kong AFP in English 1320 GMT 30 Jul 91

[Text] Peshawar, Pakistan, July 30 (AFP)—The Afghan mojahedin resistance said Tuesday it had launched a series of attacks around Jalalabad, damaging airport installations and a dam in the eastern Afghan city.

Joint attacks by several resistance groups left part of the Darunta Dam damaged and electricity cut in Jalalabad, Afghanistan's third largest city, the resistance MIDIA NEWS AGENCY said.

The mojahedin also blocked the road from Jalalabad to the capital Kabul, the agency said, adding that 11 guerrillas were killed and 19 wounded in the Tor Ghar Hills in an exchange of fire with Afghan government troops.

Serious electricity cuts were reported Sunday and Monday in Kabul following the attacks, which MIDIA said were aimed at surrounding Jalalabad and Kabul.

Rebel Attack Destroys Scud Warehouse in Kabul

BK3107040291 Hong Kong AFP in English 1933 GMT 30 Jul 91

[Text] Kabul, July 30 (AFP)—A military storehouse of rockets and missiles blew up here in the Afghan capital Tuesday in a rebel attack believed to have left several people dead.

Scores of rockets including Soviet-built Scud surface-to-surface missiles exploded in ear-splitting blasts that sent up debris and huge columns of white smoke above the city's crowded south end.

The Afghan Government, however, officially denied the explosions were caused by a rebel attack. An Afghan state security spokesman said the blasts occurred after an electrical short circuit, but residents who saw the initial explosions reported rockets fired by the resistance hitting the well-fortified stockyard of explosives. Several people were feared killed or injured, they said.

A military source said the blasts continued for more than three hours in the complex situated 10 kilometres (six miles) from the busy city centre and in other deep folds of the mountains at the military base of Rishkhor.

"The blasts are continuing and we cannot approach them," the military commander said after returning from Rishkhor later in the evening.

Mojahedin gunners continued their rocket attack on Rishkhor located behind the vital Defence Ministry here, even after the one- tonne warheads of the Scud missiles caught fire or melted in the tremendous heat, the source said.

A large, white mushroom cloud hung over southern Kabul in the still, hot evening some seven hours after the blasts rumbled to a halt. Soldiers in full battle gear prevented journalists and diplomats from getting to the scene.

The State Security Ministry, which is in charge of defending the Afghan capital, said a defence military unit had accidentally caught fire and the blaze spread to the munitions dumps spending the cached armaments.

The Soviet-backed government had been firing the million-dollar Scud weapons in retaliation for mojahedin attacks on the capital, saying terrorism shall be repaid with terrorism.

Moscow gives the Scuds with conventional warheads to Kabul free of charge and President Najibollah has several storage dumps for the weapons ringing Kabul.

Rebels Capture 'Strategic Region' in Northeast

LD2807075491 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0130 GMT 28 Jul 91

[Text] Afghan mojahedin have liberated the strategic region of Chah Ab in Takhar Province. According to reports received, during heavy clashes with the Kabul Army last Friday the mujahidin succeeded in capturing the Chah Ab region. This region is 50 km northeast of the Khvajeh Ghar region in Badakhshan Province [as heard].

With the capture of the strategic Chah Ab region, another two regions in Takhar and Badakhshan Provinces are now completely surrounded by the mojahedin. The main communication route that connects Takhar, Konduz, and Badakhshan—which carries 60 percent of the assistance from the Soviet Union to the Kabul regime is now closed.

Protest Lodged Over Captured Pakistanis

LD2707154391 Kabul Radio Afghanistan Network in Pashto 1430 GMT 27 Jul 91

[Text] The charge d'affaires of the Pakistani Embassy in Kabul was summoned this afternoon to the Foreign Ministry and the following strong protest note of the government of the Republic of Afghanistan was conveyed to him:

As reliable evidence and reports indicate, the Pakistani military circles are continuing their aggression and intervention against the Muslim people and sovereignty of the Republic of Afghanistan. Pakistan sends its spies to the Republic of Afghanistan for carrying out subversion, fighting, and fratricide. For example Mohammad Asef, son of 'Ali Hayder, and Bashir Khan, son of Haji Gholam, two Pakistani subjects who had illegally entered the territory of the Republic of Afghanistan, have been captured by the security forces around Sorkhrod district, Nangarahr province, and around

Qargha'i district, Laghman Province, while taking part in the terrorist and plundering actions of the fundamentalist extremists groups, for the intensification of fighting and bloodshed.

The Government of the Republic of Afghanistan strongly protests these aggressive actions by the Pakistani militarists which are contrary to all standards of international relations, accepted norms, and the Geneva accords. The Government of the Republic of Afghanistan seriously asks the responsible authorities of Pakistan to refrain from the repetition of such action in the future.

Bangladesh

BCCI Depositors Stage Hunger Strike

BK3107091591 Hong Kong AFP in English 0839 GMT 31 Jul 91

[Text] Dhaka, July 31 (AFP)—More than 300 clients of the Bank of Credit and Commerce International (BCCI) held a day-long hunger strike here Wednesday to press Bangladesh authorities to release their money immediately.

Gathering on the verandah of Bank's Jiban Bima House Branch, the depositors chanted slogans and waved banners, demanding both their funds and the bank's prompt reopening.

"Return our hard-earned money ... Immediate action for BCCI's reopening," they shouted.

"Many of us are now living on borrowed money, and the authorities should expedite their process of returning our money," a spokesman for the local BCCI depositors association said.

He said Sri Lanka and Pakistan had moved quickly to help BCCI clients in those countries, and wondered why the Bangladeshi Central Bank was taking its time before reaching a decision.

Four BCCI branches in Bangladesh were closed July 6, leaving more than 40,000 clients with no access to about six billion taka.

Bangladesh authorities have assured BCCI clients that their interests would be protected, but have otherwise remained silent since the bank's operations were suspended.

The official BSS news agency said top businessmen and industrialists held talks Tuesday with Prime Minister Khaleda Zia on the bank's future. It gave no further details.

Businessmen have urged the government to take steps for BCCI to resume operations, as the business sector has been badly hit by the delay in reaching a decision on the bank's fate.

The spokesman for the depositors said they would lay seige on Bangladesh's central bank if the government fails to take any decision within the next seven days.

BCCI sources here said they expected to start limited operations from next Saturday, possibly with a new name for the bank.

Minister Announces Industrial Policy for 1991

BK3007045691 Dhaka Radio Bangladesh Network in English 1530 GMT 29 Jul 91

[Text] Industrial policy 1991 has been announced. Announcing it at a news conference in Dhaka this afternoon. Industries Minister Shamshul Islam Khan said the new industrial policy will provide necessary sense of direction to the country's program of industrialization and simultaneously create a new era in the field of economic transformation. The minister said Bangladesh, being a developing country, needs a rapid socio-economic transformation in the national interest. He said present democratic government has a clear and definite economic policy, which aims at achieving self-reliance with people's participation in the production sector. The industries minister explained in detail the basic objectives and strategy of the new industrial policy. Mr. Shamshul Islam Khan said free and liberal investment climate is now existing in Bangladesh. It will only be effective when the country's economy could be connected properly with free market economy of the world. The minister said growth rate in industrial sector was the slowest in the country. The average industrial growth rate during the last nine years was 2.9 percent.

Our representative understands the industrial growth rate under the new industrial policy is expected to be five percent a year.

India

Janata Dal Rejects Singh Offer To Resign

BK3007130891 Delhi All India Radio Network in English 1230 GMT 30 Jul 91

[Text] The Janata Dal parliamentary party has rejected Mr. V.P. Singh's offer to resign from its leadership. The parliamentary party, which met this morning, urged the former prime minister not to press his decision to quit. A senior Janata Dal member, Mr. Raj Mohan Gandhi, told newspersons in New Delhi that efforts are on to resolve the differences between Mr. Ajit Singh and Mr. V.P. Singh. He said both Ajit Singh and his close associate Mr. Harpal Singh Pawar were present at today's meeting.

Reactions to Handling of Water Dispute Continue

BK3007130091 Delhi All India Radio Network in English 1230 GMT 30 Jul 91

[Excerpts] The president has accepted the resignation of Mr. K. Ramamurthy from the council of ministers. A

Rashtrapati Bhavan [President House] communique to this effect was issued this afternoon. Mr. Ramamurthy, who resigned as labor minister earlier, told the Lok Sabha that he has done so in protest against the reference of the Cauvery water issue to the Supreme Court. [passage omitted]

The minister of state for law, Mr. Kumaramangalam, has criticized the Karnataka government for not implementing the interim award of the Cauvery water tribunal. Speaking to newspersons in New Delhi, he claimed that the center's reference of the issue to the Supreme Court does not come in the way of carrying out the award as there is no stay. He alleged that injustice has been done to the people of Tamil Nadu by Karnataka's action. Mr. Kumaramangalam said Mr. Ramamurthy's resignation was a protest against the delay to be caused by the reference of the dispute to Supreme Court. Replying to a question, he said he had called on the president this morning.

The Karnataka chief minister, Mr. S. Bangarappa, has reiterated that he is in favor of mutual dialogue for settling the Cauvery water dispute. He was addressing a news conference in Bangalore today. Later, in an interview to our Bangalore correspondent, Mr. Bangarappa said there is no question of withdrawing the petition filed in the Supreme Court in the light of the center's move for finding a political solution to the problem.

The BJP [Bharatiya Janata Party] has regretted the government's handling of the Cauvery water issue. Briefing newspersons after the BJP parliamentary party meeting in New Delhi today, Mrs. Sushma Swaraj, MP, said both the governments of Tamil Nadu and Karnataka have acted irresponsibly. She said the BJP welcomes the center's decision to refer the issue to the Supreme Court.

Seven Killed in Political Clashes in Bihar

BK2707081591 Delhi All India Radio Network in English 0730 GMT 27 Jul 91

[Text] In Bihar, at least seven persons were killed and many injured in a clash between supporters of two political groups at (Railigarh) colliery area of Hazaribagh District yesterday. The condition of the two of the injured is reported to be critical. The situation has been officially described as tense but under control.

Control of Drug Trafficking Discussed

BK3007054091 Delhi All India Radio Network in English 1530 GMT 29 Jul 91

[Text] India and Pakistan today held two rounds of discussions in Islamabad on control of drug trafficking and smuggling. Two more rounds of talks would be held tomorrow. The six-member Indian delegation headed by the director general of the Narcotics Board, Mr.C. Chakravorty, includes representatives from the ministries of Defense, External Affairs, and Home.

Our Islamabad correspondent reports that during today's negotiations, measures for evolving suitable strategies to contain the transport of ('false) drugs were discussed.

Delhi, Colombo Agree on Refugee Reparation Steps

BK3007161291 Delhi All India Radio Network in English 1530 GMT 30 Jul 91

[Text] India and Sri Lanka have reaffirmed the need for a political solution to the ethnic problem in the island nation. During the talks in New Delhi today, the two sides agreed to encourage the early and voluntary return of refugees from India to their original places of habitation and to take appropriate steps in this regard. A spokesman of the External Affairs Ministry said the government of India has furnished the list of Sri Lankan refugees to enable the Sri Lankan Government to help locate the places where the refugees could safely return.

Minister Speaks on Indo-Sri Lankan Relations

BK3007063291 Delhi All India Radio Network in English 0240 GMT 30 Jul 91

[Text] The external affairs minister, Mr. Madhavsinh Solanki, has emphasized the need for political initiatives to break the current impasse in Sri Lanka and to put an end to the ethnic problem. He was speaking at a banquet hosted by him in honor of the visiting foreign minister of Sri Lanka, Mr. Harold Herath, in New Delhi last night. Mr. Solanki said India has not and cannot remain insulated from the consequences of the ethnic problem in Sri Lanka. The continuing presence of over two lakh refugees on our soil is a matter of great concern to us. It is necessary to create conditions for the voluntary return of theses refugees back to their original places of residence. Mr. Solanki reiterated the assurance to his Sri Lankan counterpart that Indian soil will not be allowed to be used for activities hostile to the island country. Referring to the agreement signed yesterday for setting up an Indo-Sri Lankan joint commission, Mr. Solanki said it represents the two countries' common desire to develop bilateral relations in the wider sense.

Herath's Talks With Indian Leaders Reported

BK3007122291 Colombo Sri Lanka Broadcasting Corporation International Service in English 1045 GMT 30 Jul 91

[Text] India and Sri Lanka have discussed prospects of ending the Tamil separatist conflict in the island. The two countries also signed an agreement to set up a panel to boost relations during talks in New Delhi yesterday. The discussions coincided with the fourth anniversary of an accord signed with Colombo to end the conflict. According to New Delhi sources, it was not known whether the discussions centered on an expected joint strategy to tackle the LTTE [Liberation Tigers of Tamil Eelam]. Foreign Minister Harold Herath and Indian Prime Minister P.V. Narasimha Rao also discussed the

presence of Sri Lankan Tamils in the coastal state. Mr. Rao underlined the need for early and effective measures to ensure the return home of the refugees. Indian Foreign Ministry officials said that the prime minister briefed Mr. Herath on the progress made by investigators probing the assassination of Rajiv Gandhi. Mr. Herath handed over a letter from President Ranasinghe Premadasa to Mr. Rao. He also met his Indian counterpart Madhavsinh Solanki for 30 minutes before the start of delegation-level talks. The two foreign ministers signed an agreement to set up a joint commission to boost bilateral cooperation, including two subcomissions dealing with trade and finance, culture and education.

Iran

Khamene'i Rejects Talks Between Arabs, Israel

LD3107105591 Tehran IRNA in English 0936 GMT 31 Jul 91

[Text] Tehran, 31 July, IRNA—Leader of the Islamic revolution Ayatollah 'Ali Khamene'i on Wednesday rejected any talks between Arabs and the usurper Zionist regime as a factor "weakening Arab governments and further destabilizing the region."

Addressing a gathering of high-ranking Armed Forces commanders, Ayatollah Khamene'i, who is also commander-in-chief of the Armed Forces, underscored eradication of the Zionist regime as "a cancerous tumor in the region."

The leader pointed to the lack of support of Muslim and Arab nations for their ruling systems as the main factor for some of those regimes to accept holding talks with the Zionists.

"If the Arab regimes had respected the sentiments, will and power of their nations, they would have not been forced to show weakness vis-a-vis the usurper Zionist regime," said the leader.

"Palestine is an Islamic land and belongs to the Palestinian people," he reiterated.

Underlining Iran's unalterable stance towards [the] Palestinian cause he said: "We consider Israel a cancerous tumor in the region and a fabricated, rootless, imposed and usurper regime."

Despite the U.S. support for the Zionists, this tumor should be rooted out and "this is possible and practical," stressed the leader.

He noted that the Americans have chosen a "wrong" way for solving the Middle East problem and added that the status of the regimes who sit at the negotiation table with the Zionist regime would become shaky.

No doubt, he stressed, the same fate that befell those who took part in [the] Camp David negotiations would await regimes which adopt a hostile stance against their nations.

Elsewhere in his speech, the leader underlined the necessity to further upgrade the morale and increase [the] material potentials of the Armed Forces.

He noted that the Armed Forces could exhibit their capabilities in the course of the 1980-88 imposed war, adding that at present the Armed Forces were in the best possible condition. [sentence as received]

Velayati Comments Upon Return From Islamabad

NC3107062491 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT 31 Jul 91

[Text] The Islamic Republic of Iran, Pakistan, and the Afghan mujahidin group issued a communique yesterday at the end of the quadrilateral session in Islamabad and stated their common stances on the Afghanistan problem. Among the points emphasized in the communique are the need for a just solution to the Afghan problem; the revival of the independence, national sovereignty, Islamic identity, and nonaligned status of the country; and the acceptance in principle of the UN secretary-general's plan as the basis for a solution to the Afghan problem.

Mr. Velayati returned to Tehran an hour ago at the end of his visit to Islamabad. Our correspondent at Mehrabad Airport interviewed him on the outcome of the visit and of the quadrilateral session.

[Begin recording] [Unidentified correspondent] Dr. Velayati, Your Excellency went to Islamabad at the head of a delegation to participate in the meeting between Iran, Pakistan, and the Afghan mujahidin. Please comment on the outcome of this meeting.

[Velayati] In the name of God, the Almighty, the Merciful. Months ago we discussed the convening of a meeting among Pakistan, Iran, and the Peshawar- and Tehran-based mujahidin. The proposal for this meeting was made by the Islamic Republic of Iran and was discussed in Pakistan and by the various mujahidin groups, and we finally agreed to convene the meeting in Islamabad.

During the past three days, we held various discussions which ultimately led to the signing of a communique that is unprecedented in the history of Afghanistan's struggles. In other words, such coordination and understanding has never before existed among these parties.

On the basis of this communique and of the decisions adopted during this session, the necessary coordination should be made to continue the political efforts and comprehensive struggles to obtain a just solution for the Afghan people and the mujahidin. International cooperation, with the assistance and participation of Iran, Pakistan, and the mujahidin, should increase.

The UN secretary-general's five-point plan, which has been propounded over the past few months, was also discussed. All the participants in this meeting agreed that

this plan has both positive features as well as ambiguous points which should be clarified, and that it can form the basis for future international efforts for the solution of the Afghan problem. It was also decided that a joint delegation of the Iran- and Pakistan-based mujahidin will participate in the Islamic Conference Organization meeting. We will, God willing, see a similar effort among the nonaligned nations, which are to meet in Ghana in Shahrivar [month beginning 23 August], as well as during the UN General Assembly session in New York.

It was also decided that Iran, Pakistan, and the Afghan mujahidin would hold a second joint session in Tehran in the near future, possibly within a month.

As far as bilateral relations between Iran and Pakistan are concerned, it was decided that Mr. Ghulam Ishaq Khan, the esteemed president of Pakistan, would pay a visit to Tehran in Shahrivar this year at the invitation of His Excellency Mr. Hashemi-Rafsanjani, the esteemed president of the Islamic Republic of Iran. On the whole, relations between Iran and Pakistan are progressing well in the various fields.

The conclusions that we drew from our meetings with the Pakistani president, prime minister, and foreign minister are that the officials of our fraternal country Pakistan are extremely satisfied with the expanding relations between Iran and Pakistan, as we too are. We hope that this expanding cooperation between Iran and Pakistan will also help toward the consolidation of relations among the three countries of Iran, Pakistan, and Turkey within the framework of the Economic Cooperation Organization, the summit of which is to be held soon—in early Azar [November]—in Tehran.

[Correspondent] Thank you very much. [end recording]

Radio on Quadrilateral Afghan Talks

LD3007164491 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1046 GMT 30 Jul 91

[Station commentary]

[Excerpts] The first joint session between Iran, Pakistan, and the leaders of the Afghan mojahedin was convened in Islamabad yesterday. At the session, Dr. Velayati, our country's foreign minister; Akram Zaki, secretary-general of Pakistan's Foreign Ministry; and the Afghan mojahedin leaders based in Tehran and Peshawar discussed the latest developments in the Afghan issue. During the first round of talks, our country's foreign minister voiced support for any solution to the Afghan issue based on the will of the Muslim people of Afghanistan. During the remainder of the session, the participant groups voiced their views on Afghanistan. [passage omitted]

Following the proposal of the five-point plan of UN Secretary-General Javier Perez de Cueller on resolving the Afghan issue, recent attention has been largely turned to political solutions. [passage omitted] The plan has met with various reactions, at domestic and international levels. While the plan has gained the support of America, the Soviet Union, Pakistan, and Najib's government, the Afghan mojahedin groups have shown different reactions; some of these groups, while rejecting the plan, continue to persist in pursuing military action, whereas another group has assessed the plan as containing positive points. In this connection, our country—which in the past 13 years, has supported the Muslim people of Afghanistan, offering all kinds of assistance—has only backed the positive points of the secretary-general's plan.

Hence, the quadrilateral session, which opened in Islamabad yesterday at the request of our country, has been seen by political observers, as a significant step and a worthy attempt toward closing the gap in the view of the groups involved, with regard to the Afghan issue. Even though one cannot expect the achievement of a formula for a political solution aimed at resolving the Afghan crisis, nevertheless, one can hope that parallel with the attempts of the Afghan parties toward reaching an agreement, the continuation of talks between the involved sides on the Afghan issues—regardless of the role of the other powers, including America—will be closer to a solution than other measures, thus paving the way for the establishment of an Islamic and popular system in Afghanistan.

Yazdi Friday Prayers on Disarmament

LD2607144791 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 26 Jul 91

[Second Friday prayers sermon delivered by Ayatollah Mohammad 'Ali Yazdi, head of the judiciary, in Tehran on 26 July—recorded]

[Excerpts] [passage omitted] Regarding current issues most of us are more or less familiar with, in my view the first issue is the issue of disarmament, about which a great deal of discussion has taken place—especially in the sermon preached by the esteemed president, His Excellency Hojjat ol-Eslam val-Moslemin Hashemi-Rafsanjani. In that sermon, he spoke in great detail and explained the vague points in that plan, and asked the world what it wished to do. I must say that on the basis of the teachings we have in Islam: Help them [fighters on the path of Islam] with all that you have in your power [Koranic verse]. This is not limited to the time of war.

There are two kinds of weapons: offensive weapons and defensive weapons. Regarding the weapons which according to these gentlemen are weapons of mass destruction, dangerous weapons which are not only dangerous to human beings but also to the environment and many other creatures, no one has any doubt that such weapons should not be in the possession of human beings. However, the question is: Who is the person who decides that they should not be.

Does it mean that the arrogant powers of the world should possess them but others should not, so that they can bully others in any way they like and dominate them further? This is not logical. It is clear that such a thing is not acceptable and is not practicable, either. In any case, any living being, any living society takes measures to defend itself. It will not sit down and be always oppressed; because it is living, and life is concomitant with defense. Is it the main aim behind this plan that Israel—which is the main source of insecurity in the region—should possess everything, but under this pretext other countries should have nothing? This is not acceptable. Where do they wish to discuss such a proposition, in which organization? If this is to be discussed in the United Nations or in the Security Council, with what points of view do they wish to discuss it? Is it going to be met with many vetoes; or is it going to be discussed with human logic, with the logic of human rights, with the logic of the sovereignty of governments, or even the ordinary acceptable logic of the world?

Regarding the issue of disarmament, the Islamic Republic of Iran has always said that atomic weapons, biological weapons, weapons of mass destruction, weapons that seriously endanger the environment, and different types of such weapons should not exist. At the moment, too, she says that they should not exist, and no one should make use of such weapons. [crowd shouts "God is great," "Death to America," "Death to Israel"]

Some, however, cannot accept such a thing. You yourselves have secretly equipped Iraq to such an extent that today, when you intend to bring it to its knees, no matter how much it goes on to respond to your requests, you retort that it has not yet revealed the actual facts. How can you be so sure to say it has not yet revealed the facts? The reason is that you yourselves have been the ones furnishing most of its weapons. You have been the ones building it up, and so you are the ones to know what you have given it and why you equipped it and for what reasons. Well, you equipped it, and then you encouraged it against the Islamic Republic. But it was defeated in the war [with Iran]. Later it returned to its base and then that event [invasion of Kuwait] took place. Now you have decided to stand against Iraq. And so you can see how difficult it is to cope. You have done the same with Israel. Do we not know it? You are adding to Israel's arsenal day by day. What does that mean? Does it mean Israel is to have everything but her neighbors nothing? It means that Israel must be powerful to occupy yet another chunk of land and claim it as hers. Now let some people cry all over the world that the occupied lands must be returned to their owners.Indeed, you may go on holding seminars and conferences stating that Israel must return those lands, but the fact remains that the Government of Israel will say no and will refuse to return an inch of land. You may go on to give Israel more arms and more money and more concessions, hoping she may be a little soft—but you will see.

Obviously, such a practice is not wise; such a practice can never be acceptable. With such a practice there will never be any security. And that, somehow, relates to *disarmament. The issues of security and disarmament* in the region both follow the same objective. Their objective is to solve their problem in the Middle East—that is, primarily to surround the Islamic Republic of Iran, which is a major danger to them. They want to block her efforts to influence others and continue the export of revolution and revolutionary thoughts the way she does. Then they intend to put the finishing touches to the issue of Israel and the Arab-Israeli conflict.

In this brief opportunity, one can simply say that there is a series of plans and projects being drawn up, and America is the sole author of these plans. They are intended to lead, in fact, to the forming of a second Camp David in the region. However, even if that can be formed and even if there are decisions on that matter, they will all be doomed to failure so long as the rights of the Palestinians are not observed in the region.

America in fact thinks that the people do not know the issues of the region, and that because of her political showmanship people cannot even guess what goes on behind the scenes. That is not so. The world today is very much different from the past. The people fully comprehend the problems. The nations and the countries have risen. There may be some governments and heads of state who have links [as heard], but their nations are well aware of the issues. [passage omitted]

Commentary Criticizes Rafsanjani's Friday Sermon

NC2607164591 Tehran SALAM in Persian 15 Jul 91 p 2

[Unattributed commentary: "The President's Utterances"]

[Text] The esteemed president discussed economic issues in his Friday sermon in Tehran last week. His comments require further review.

The president's main argument that all policies should be geared toward the attainment of economic equilibrium naturally includes taxes. However, knowledgeable and devoted people are not content with merely examining the negative aspect of the taxes. They want to assess the subject logically and in its entirety. If these people criticize the plan, they should also propose solutions.

The president presented some evidence and insisted that the government increase prices on commodities, including gas oil, electricity, and others.

He explained why these price hikes are necessary and blamed some individuals for inciting the illiterate people. He believes that these people, who had all the facts and figures and knew the truth, tell lies to create a negative atmosphere for the elections.

The president's remarks can be assessed from various points of view, but here we will only examine the economic angle of a segment of his remarks.

The president devoted a part of his remarks to explaining the gas oil price increase, stating: "Many people have never even used gas oil, so the increase will not even affect them indirectly."

We are not debating his claim that if gas oil were cheap and people were still not using it, its price should be adjusted. What is astonishing is how casually the president has treated the repercussion of the price hike. Is his excellency the president not aware that the increase will affect the gas oil used in transportation and agriculture? The price of gas oil used in private homes had increased by only one tuman per liter.

The question arises: Why does the president not take into account the obvious fact that wealthy people do not use gas oil for their automobiles? Is not a major part of the cost of consumer goods due to transportation? Any increase in the cost of transportation will result in the increase of the price of all goods.

In the year 1368 [21 March 1989-20 March 1990] the transportation sector was 5 percent of the Gross National Product. In other words, if the transportation sector becomes inflated by the gas oil price increase, all other sectors of the economy will also become inflated.

If a 40-percent increase of gas oil prices results in a 20 percent increase in the price of transportation, the index for the nationwide economy will register a 100-percent rise in inflation.

Mr. President! Is it possible for you to tell us who opposed the copper price increase? In which newspaper was the report carried? In his defense of doing away with foreign exchange scales for exports, Mr. President said: The time may come when this country will exported everything: its dust, its stones, and its grass. This will be the salvation of the country.

Mr. President! For your information, it may be said that when the dollar reaches 1400 rials, the salary of an expert with a bachelor's or engineering degree will be a maximum of 280,000 rials. In other words, $200. If you pay a doctor 1,400,000 rials—$1000—per month, you must admit that before dust, stones, and grass are imported, our specialists will be.

Even if you import industrial technology, you will have no one left to man it.

(We will spend more time on the work force later)

Your Excellency. On the basis of which scientific principle or experience do you say that "this will be the salvation of the country" (meaning the policy of an export platform)? According to classic economics, the fundamental rule of a market economy—and freedom of exports and imports, free foreign exchange, etc.—does not exist in Iran. Why, then, should we present important economic issues in a hostile manner?

It would be preferable if economic experts defended the government so that the current policies could be debated with economic experts from the university.

For your information Mr. President, it may be said that the head of the Plan and Budget Commission in the majles, Mr. Alviri, who is among the formulators and defenders of the Five-Year Plan, believes that the present government's policy is contradictory to the plan.

Who is not aware that this feeble and ailing body of our economy managed to stand on its feet only with an injection of $35 billion last year, a large part of which has already been used in short-term loans or what is known as "usance"

Mr. President! Have you observed to what extent the rich have benefited and the poor have suffered due to the economic policy of increasing prices, eliminating the foreign exchange scales for exports, allowing free imports, the new monetary policies, and other such things in the last two years? As you know, the government's prediction on the levying of taxes on the private sector (not on the salaried or government companies) has not materialized.

According to the same sermon, the onus of pressures has fallen on the people, the traders, not the affluent capitalists: "If the traders ignore the instructions, we will find them and stop them from working." Thus, the affluent capitalists' extortion was blamed on the traders, who are believed to be the most trampled upon people in our culture. Their future was also threatened!

Mr. President! We have left much unsaid regarding the invitation for Iranians abroad to return.

The Iranians abroad can be divided into a few categories: First, those who have pillaged the wealth of the nation and gone abroad. On principle, these people should not be allowed to come home to plunder even more.

Another group, the counterrevolutionaries, are fewer in number. Naturally, if they have not perpetrated any atrocities or have been pardoned, their return presents no problem.

Another group is comprised of those who have fled the country for cultural reasons or to evade military service. Their inclination to return to Iran will be in proportion to the facilities provided by the government.

The group of people in whose return everyone is interested is the group of specialists, and this group may have left the country for cultural or political reasons. The reason they give for not wanting to return is that there has been a very small increase in the value of specialized manpower. In other words, because of the current economic policies in Iran, not only do they not wish to return to Iran, but those who are already in Iran seem inclined to leave again. How can the government be

content with merely inviting them to return without first creating the suitable economic structure?

Mr. President. Suppose that tomorrow every dollar becomes equivalent to 1400 rials. How many of the esteemed ministers in your cabinet were university graduates or have doctorate degrees? Would they be willing to serve Iran for a pittance of 280,000 rials; that is, $200 a month, or even $400? If you were a mere employee with a university degree, would you be prepared to work in Iran for 140,000 rials—$100—a month? If you were a worker, would you be willing to work for 70,000 rials ($50) in Iran, or would you have left for Japan?

Yes. Those who defend the presence of the Iranian work force abroad should know that the prominent workers are usually the ones who emigrate. What justification does the president have for inviting their specialized work force to return and what are the chances that these workers will return?

If we ignore the fact that the government controls 99 percent of the means of mass communication—whether it be the radio, the television, newspapers, and scores of government publications. The government has experts, statisticians, and a budget and can theorize about policies and publish and disseminate them in the media. It does not need to use the Friday prayers for this purpose. What has happened to the Ministries of Economic Affairs, Plan and Budget, and the Central Bank? Why are they holding their tongues on the president's comments against a nascent newspaper?

SALAM hereby declares that it is willing to give the Ministry of Economic Affairs space in its daily edition so that it can publish articles and defend its current policies. Of course, SALAM reserves the right to criticize and evaluate them.

SALAM Editor's Comments Criticized

NC3007104891 Tehran RESALAT in Persian 17 Jul 91 p 2

[Unattributed commentary]

[Text] Mr. 'Isa Vala'i described the people who shouted slogans in favor of the president as victims of demagogy.

On Monday, at the School of Religious Sciences, under the auspices of Mr. Sadeq Khalkhali, 'Isa Vala'i, a SALAM editor and Majles member, said: Bringing up the saying that anyone who opposes an executive official opposes the prophet during Friday prayers is demagogy and unpopular.

Mr. Vala'i, who apparently does not correctly understand the people's motto that "whoever opposes Hashemi-Rafsanjani, opposes the leader; and whoever opposes the leader is the enemy of the prophet," said: "Are the ministers so irreproachable that whoever opposes Mr. Hashemi-Rafsanjani's government opposes the prophet?"

He added: "The result of this type of thinking will be that we will blame all our mistakes on the prophet."

"No one has come out in opposition to this cliche. The newspapers have suddenly fallen silent. No one has stood up to say gentlemen shut up! Do not use the Friday prayers tribune to propagate such a lie!"

Vala'i repeated: "There they say that whoever opposes a minister opposes the prophet and here they say that every opponent is against the supreme jurisconsult. You have involved the supreme jurisconsult and the prophet in everthing! Is this correct? Is this what you call support? What kind of support is this? The supreme jurisconsult is a religious dignitary who should not be involved in these issues! In other words, do you want to say that the supreme jurisconsult, God forbid, favors this behavior?"

The Muslim people of Tehran shouted slogans at the Friday prayers in defense of Mr. Hashemi-Rafsanjani to those who are attempting to insult this old friend of the Imam. As the people themselves see, the process that started with the intention of harming the personality of the president has falsely labeled him and insulted him. For example, the president has been asked: If your wages were low, would you not have gone to Japan to work?

Let us look at what SALAM wrote on 15 July 1990: "Mr. President, if you were a worker, would you work for 70,000 rials ($50) a month in Iran, or would you go to Japan?"

When the blind-hearted monafeqin [Mojahedin-e Khalq] attempted to assassinate Mr. Hashemi-Rafsanjani, His Eminence Imam Khomeyni sent him a message on 26 May 1979 which read:

"Dear competent mojahed Hojjat ol-Eslam Hashemi-Rafsanjani! The late Modarres who was assassinated on the orders of Reza Khan sent a message from the hospital saying: Tell Reza Khan that I am alive. Modarres is alive today too. Men of history remain alive forever. The ill-wishers should know that Hashemi is alive because the movement is alive. America and the other superpowers should know that our nation is alive....

"They and their idiotic attempts cannot assassinate our Islamic Revolution. They cannot assassinate the humanitarian-Islamic personality of Motahhari and Hashemi.... I congratulate Mr. Hashemi-Rafsanjani, the prolific child of Islam, for advancing toward the objective at the hairbreadth of martyrdom and pray to God almighty for his health and for the continuation of his services."

'Uneven Path' of Foreign Policy Viewed

NC3007100191 Tehran SALAM in Persian 20 Jul 91 pp 11, 3

['Alireza 'Abbasi commentary: "The Uneven Path of Diplomacy"]

[Excerpts] The seminar for the ambassadors and the heads of the Islamic Republic of Iran's representations abroad has concluded with the hope that the officials of the country's diplomatic apparatus will pursue their momentous obligations at their places of assignment in a more willing and inspired manner. [passage omitted]

Due to the responsibilities of this group, criticism and an assessment of its performance, checking both its weak and strong points, is the obligation of the forces of the revolution and something Foreign Ministry officials should welcome.

One of the positive steps by the Ministry of Foreign Affairs was the establishment of the Academy of International Affairs, which has to a certain extent reduced the shortage of experienced cadres by absorbing dedicated forces and training them. However, a lot of work remains before shortcomings are eliminated. In some cases, we can see that adequate attention is not paid to the efficiency of an ambassador as a suitable representative of the Islamic Revolution and a guardian of the values of the Revolution. An ambassador should be able to explain and illustrate the nation's policies and project the steadfastness of the Islamic Revolution with reliance on the boundless divine forces against the foreign powers.

However, other considerations are given preference over these necessary qualities. This does not behoove this sensitive department because of the importance of its mission. [passage omitted]

The representatives of this great nation are not the officials of an executive department with limited credibility on the international scene. They should be aware of the importance of their status; that is, that they are backed by the power of the greatest revolution in contemporary history.

Forging ties with nations and governments in the world of today is a necessity. Our dear brothers who are employees of our missions abroad should pay attention to the fact that other nations need us as much as we need them, in some cases even more.

An embassy's duty to broaden and improve relations with a country is conditional. If it is perceived that relations are becoming inequitable and discrepancies are cropping up, the embassy should not be maintained at all costs. This is one of the arts of the managers of diplomacy; that is, to act in a manner that ensures the maximum national interests and the consolidation of the Islamic values prior to forging relations with various countries of the world. [passage omitted]

When we see the foreign embassies in Tehran, especially the espionage house of the U.S. Embassy, and how our enemies have studied even the most insignificant angle of our society and how these efforts were used for their illicit domination, we should bear in mind that in the world of rivalries, where power and strength reign supreme instead of logic and justice, we should accelerate our efforts to defend our lawful rights with piety and sagacity in addition to goodwill. We should dispense with the glitter of formality prevalent in the world of arrogance, and the ostentatious trimmings of these governments should not make us oblivious to their objectives.

In addition to the uniqueness of our system, international conditions are fraught with a special sensitivity which adds to the importance of the task of the diplomatic apparatus and which we will discuss in a forthcoming edition.

Commentary Assesses Soviet Position in Mideast

LD3007150191 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0955 GMT 30 Jul 91

[Station commentary]

[Excerpts] These days the presidents of the United States and the Soviet Union are meeting in Moscow to discuss the nature of their cooperation in spheres of mutual interest. These cooperation talks extend over a broad spectrum and include security pacts, the Soviet Union's internal developments, and finally the Middle East issue and the international peace conference to solve the Arab-Israeli question.

The USSR is among the countries that support the international peace conference, and this proclivity is welcomed both domestically and internationally by countries that will benefit from it. Now, noting the latest developments in the Middle East and the declining position of the Soviet Union in the international order, the question is: How will Moscow be acting vis-a-vis the Arab-Israeli problem?

The Soviet Union has never enjoyed a superior status in the Middle East. In the past, the influence and presence of that country was quite evident in a few Arab capitals. This presence did not go beyond the sale of arms and a merely diplomatic support for Arab demands in the face of the aggressive tendencies of Israel. [passage omitted]

Relations between the Soviet Union and Israel, however much they are on the surface tantamount to consular relations—in reality, Moscow and Tel Aviv enjoy de facto diplomatic relations. And it is possible that at any time now they may officially declare that they have resumed political relations.

As for the general situation in the Middle East, despite existing problems and the USSR's seriousness in preserving a minimum role for Moscow in the developments taking place in this region, the internal situation in the Soviet Union is such that this country has turned practically into an observer in the Middle East.

Even though without the Soviet Union's positive vote in the Security Council the numerous resolutions issued

against Iraq and ultimately, the military suppression of Iraq, would not have been feasible, bearing in mind Moscow's priorities, the Soviet Union was not in a position to take any other step and thus jeopardize relations with Europe and the United States. This is a state of affairs that is continuing.

From the standpoint of political observers, in reality some of the existing pressures against Arabs are rooted in Moscow's policies.

The permission for Soviet Jews to emigrate to occupied Palestine, besides increasing the population of Israel, has also created the urgent need for new territories to house and feed these emigrants. This is at a time when Arab regimes, in view of the cuts in military and political aid, have remained practically defenseless in the face of Israel, while the latter enjoys more than ever before financial and military aid from the United States and the European Community.

It does not therefore seem that the Soviet Union's presence in an international peace conference on the Middle East, will result in any further achievements for the Arabs. Quite possibly, its presence will be accompanied by its submission of certain proposals. Yet these proposals will not be backed by any guarantees for their implementation and will be merely there to show that the Soviet Union is toeing the same line as her European and U.S. partners.

On the other hand, the United States wants the Soviet Union to be present at the international peace conference apparently because there is a need for publicizing the "international" character of the conference. In truth, however, through the presence of the Soviet Union and some European countries, the Unites States is seeking to be cushioned by the guarantee that in the event of a possible breakdown of the conference, it may not have to face all its unpleasant consequences by itself.

Commentary Criticizes UK Nuclear Sales to Iraq

LD2807114991 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0956 GMT 28 Jul 91

[Unattributed commentary]

[Text] Revelations concerning Britain's sale of radioactive material to Iraq have greatly embarrassed Britain's ruling Conservative Party. According to an official document released by a British parliamentary committee, the British Department of Trade and Industry had issued permits for the export to Iraq of material and equipment used for the production of atomic weapons.

The issue, which has caused amazement among political observers as well as British politicians, is that the export of such material continued even up to three days after the Iraqi aggression against Kuwait. These revelations are made at a time when the Conservative Party is already the object of accusations due to the financial fraud carried out at the BCCI [Bank of Credit and Commerce International].

In the view of political commentators, the revelations regarding the sale of nuclear material to Iraq by Britain will have important domestic and international repercussions. The international repercussions will demonstrate that the very harsh and decisive tone of British officials about the need to control and prevent the proliferation of atomic weapons, as well as the issue of establishing security and stability in the Middle East, should not be regarded as anything other than a political gesture; because providing means for the production of nuclear weapons to a government with the characteristics of the Iraqi Ba'th Party will clearly demonstrate that the British Government lacks any credibility in her positions.

On the other hand, the same political analysts believe that the issue of military cooperation with Iraq is also true of most Western countries. Therefore, it seems that the greatest damage done by this issue will be in Britain's domestic affairs. This is at a time when, during the past few months, the Conservative Party has been working hard to put the country's economic situation into shape, and has been relatively successful in this path—so much so that the rate of inflation has been reduced from 11 percent to about 5 percent. There are also some signs that the economic recession is gradually moving toward improvement. During this period, the Conservative Party was also gradually regaining its popularity in the public opinions polls, and the popularity gap with the Labor Party was being reduced. Also, Britain's hosting of the seven industrialized countries had improved the standing of the Conservative government.

In any case, the issue of financial fraud at BCCI on the one hand, and the revelation concerning the sale of nuclear material on the other hand, has placed the Conservative Party—which is only 11 months away from national elections—in a tight spot. British Prime Minister John Major will need every single day of the remaining months to gain victory in the forthcoming elections, toward which he has invested a great deal of effort. Meanwhile, the opposition parties—Labor and the Liberal Democrats—will try to make the best use of this issue, and the position of the Conservative Party will be further weakened.

Paper Comments on Iraqi Reconstruction

PM2607080091 Tehran KEYHAN HAVAI in Persian 3 Jul 91 p 23

[Editorial by Kurosh Za'im: "Reconstructing Iraq, and Iran's Role]

[Excerpts] The greatness of a country depends on the scope of thought among its leaders and the boldness of its leaders in taking the initiative in political matters, not the number of tanks or cannons or the loudness of their slogans. The current government in Iran has found this

out and is trying to take very careful steps to paint a logical picture of itself for the rest of the world, especially the other countries in the region. Now if Iran's actions are slow on the international political scene, because of caution, or because of incorrect analysis of events, then that is a different subject worthy of another editorial. [passage omitted]

In the crisis of Iraq's invasion of Kuwait, and the allied attack against Iraq, Iran did not act in a powerful manner and, in the scenario, took the role of an "extra" watching the action. [passage omitted]

Iran must be the source of the most popular ideologies and it must be governed by the most wise governments. It must have the strongest economy in the region and Iran's armed forces must be considered as a preventive force to stop any act of aggression in the region, just as the Europeans consider the United States as a preventive force to defend against the enemies of freedom and peace. All the peoples of the Middle East must consider Iran's armed forces as the powerful arm of their big brother. [passage omitted]

From the opportunities that came our way, that were appropriate, but ones that are now lost with regard to the crisis in the Persian Gulf, our opportunity to have policies toward reconstructing Iraq still remains. The Iranian government must believe that the future of Saddam Husayn is not better than the one faced by the former Romanian leader. There is no need to treat the Iraqi regime in an uncertain way, even if it is refusing to meet some of the demands in resolution 598. This is the sort of action that caused much damage to our character during the Persian Gulf crisis. At present, this is showing our small Arab neighbors a confused view of our real stance. [passage omitted]

Iran must announce now and take a bill to the Majles that if there is a popular and democratic government in Iraq, it is ready to take part in the reconstruction of Iraq with all its power. To prove its brotherly intentions, Iran must provide credit worth $10 billion, to be used in a five-year period, to be paid back in installments in 10 years, without interest, for Iraq's reconstruction.

The general conditions for this credit will be:

1. This credit will be available to Iranian companies and organizations that sign contracts for reconstruction projects in Iraq.

2. Some 50 percent of the total sum of the contracts will be paid by the Iraqi government and the remaining 50 percent will come from this credit.

3. The credit is for each year. The $2 billion has to be spent each year—in terms of contracts signed, not completion of the projects.

4. The credit is in the form of a guarantee from the Iranian Central Bank that the Iranian companies involved will pay their share of the bills approved by their Iraqi contractors and the Iraqi Central Bank.

5. The credit will be given to those companies or organizations or industries, 51 percent of whose shares are owned by Iranians, which are registered in Iran.

6. Iraq is permitted to pay back in cash or in terms of goods sold.

7. Iraq has to guarantee the legal rights and legal security of Iranians and Iranian companies and must give them permission to set up branches and to become active.

8. Iraq must give permission for major Iranian banks to open branches in important Iraqi cities and be allowed to carry out unlimited activity.

9. Iraq must give permission for regular passenger flights to important Iraqi cities including Baghdad, Basra, and Kirkuk.

10. Some of this credit must be spent on building two highways, one from Qasr-e Shirin to Baghdad and another from Khorramshahr to Basra, as well as two railway lines from Dorud to Baghdad and Khorramshahr to Basra. [passage omitted]

With the establishment of several Iranian companies and banks in Iraq, Iranians will have the chance to undertake widespread and considerable economic activity in Iraq. Iran's political and economic influence in Iraq will naturally increase greatly and in this manner Iran will have a direct role in Iraq's economic growth and will benefit from this.

The activity of Iranian companies in Iraq will create more jobs for Iranians. Many of our expert and experienced workers who are at present engaged in "false" employment, which is damaging, will be attracted by these contracts and many of the surplus government civil servants will also rush to the job markets. There will be a widespread movement in industry and services and the industry and services' companies will choose their employees more carefully, in order not to lose their experts. In order to keep them happy, they will increase their salaries and benefits. In this way, the quality of their activity and their production will increase.

In order to gain maximum profit, the Iranian companies will try their utmost to buy locally produced machinery and equipment, in order to benefit from the differential in making payments in rials. As a result, the related industries will grow with more production. In order to compete, they will also be forced to improve the quality of their goods, to match them with international standards. This change will make their goods competitive on other world markets as well.

The Iranian Central Bank, which will sign the credit with Iraq in U.S. dollars, will pay the Iranian companies in rials, making a huge profit from the differences in the value of the dollar in the internal market.

Paper Comments on Economic 'Saboteurs'

LD3107094991 Tehran IRNA in English 0722 GMT 31 Jul 91

[Text] Tehran, 31 July, IRNA—An English-language daily Wednesday commented on current economic hardships facing the government, including inflation, and radical approaches some people have advocated toward the problem.

KAYHAN INTERNATIONAL in an editorial titled 'No Radical Approach' said: "One of these approaches has been the call for execution of those known as 'economic saboteurs' or 'economic terrorists'."

But, the article noted, despite all [the] debates and calls for justice and retribution, "no one in the post-war era has ever been executed in any scandalous case that the public knows of."

"Because", it added, "although interested to severely punish economic terrorists, the government, for one reason or another, has been unable to pinpoint the real culprits and find the root cause of the problems."

In general, looking for quick solutions by fixing the blame on one [person] or group of people will not solve any problems and might on the contrary, "aggravate existing ones," it said.

But however, the article reiterated punishment of economic saboteurs, "a punishment commensurate with the guilt."

It concluded by saying, "Existing economic snags in Iran call for careful planning, good management of existing resources and patience to follow up the remedy to get the desired results over the long run."

French Parliamentarian Calls Relations 'Necessity'

LD3007182291 Tehran IRNA in English 0917 GMT 30 Jul 91

[Text] Tehran, 30 July, IRNA—The visiting head of the Iran-France parliamentary friendship group, Patric Devedjian, Tuesday termed establishment of friendly ties between Tehran and Paris a "necessity" due to "Iran's important position in the region."

In a meeting with the First Vice President Hasan Habibi, Devedjian described his talks with Iranian officials on regional and international issues as "positive".

Habibi for his part underlined further cooperation of the two countries at international scenes, as well as expansion of Tehran-Paris economic and cultural ties and transfer of technology.

Habibi thought that coordination in bilateral relations between Iran and France would be fruitful for the whole region.

Rafsanjani Attends Petrochemical Industries Talks

LD3007182491 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1430 GMT 30 Jul 91

[Text] The general assembly of the National Petrochemical Industries Company met today before noon in the presence of Mr. Hashemi-Rafsanjani, the president of the Republic.

At the start of the meeting, the managing director of the National Petrochemical Industries Company initially submitted a report on the company's products and future projects. The report also compared Iranian petrochemicals with those of the region and the world, as well as production during the current year and previous years. He then said that by the end of the year 1370 [21 March 1991-20 March 1992], petrochemical production would exceed the 4 million tonne mark.

Continuing the meeting, progress reports on projects were discussed. Allocation of more than 225 billion rials for investments in the company during the year 1370 was approved. The meeting also approved bringing the Esfahan and Arak petrochemical plants into production during the years 1370 and 1371 [21 March 1992-20 March 1993]. It also approved the company's budget balance sheets for previous years as well as for the current year.

At the end of the meeting, Mr. Hashemi-Rafsanjani, president of the Republic, issued the necessary instructions on the elimination of the company's foreign exchange difficulties, as well as on the provision of foreign exchange facilities and opening of necessary crdit lines.

Tehran Daily on Role of Media, Propaganda

NC3107082291 Tehran JAHAN-E ELSAM in Persian 16 Jul 91 pp 1, 2

[M. Qoms commentary: "The Mass Media and Their Mission"]

[Excerpts] An issue that is like a rising fever in society today is the price hike and its daily spiral. Various ideas prevail regarding the issue; the mass media have tackled its various aspects according to their own manner and taste. What has rarely been discussed is the reason for the people's reaction and the lack of conformity in the views of economic and administrative officials on the issue. [passage omitted]

The main obligation of the mass media is to reflect the latest events. The main objective of propaganda is basically to set up a form of participation and a pattern for the addressees. This is now considered the norm.

Mental and emotional content, feelings, sensations, motives, and attitudes are all factors which have an effect on the broad spectrum of propaganda. Propaganda mainly affects society in the manner by which it conjures

up images and presents topics to a domestic audience. The lack of coherence and cohesion in the swift transfer of reports on societal events and its precise and timely reporting to the people has a psychological aspect, with varying feedback most of the time. [passage omitted]

Criticism is constructive and beneficial only when it takes everything into account and there are no superficial limits imposed. Criticism is only considered criticism when the logic behind it does not degenerate into an anthology of formal rhetoric and slogans which take the society downhill and also stunt its growth. Such discrepancies can be perceived in the publications and mass media of countries.

Such mass media become absolutely cliche-ridden and take orders from those who exercise some clout in society in their presentation. In other cases, they resort to the lowest tactics of sensationalism, threats, displays of rage, exaggeration, and mudslinging. These then become a reflection of the motives of the administrators of a society. [passage omitted]

In the revolutionary society of Iran, however, we should witness a totally different picture, as all of us are responsible for everything and should be accountable for everything. This is what creates a culture which forms our beliefs. Our government, mass media, and other societal organs have been forged by this culture and have taken shape. Anything else that we perceive to the contrary should be considered a malady, and we should seek a remedy for it.

Minister Announces Terms for Foreign Trade

NC2807075191 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0330 GMT 28 Jul 91

[Text] Any foreign party that wishes to conduct business or to maintain commercial and industrial relations with the Iranian Heavy Industries Ministry and its affiliates will be required to purchase Iranian industrial goods worth 30 percent of the total value of any transaction.

Announcing this measure, Iranian Heavy Industries Minister Nezhad-Hoseynian said: This is being done to expedite the transfer of advanced tecnology to the country and to improve the competitiveness of domestic industries.

Commenting on developments in the large-scale industries operating under the ministry's supervision all over the country, he said: Progress has been made on 10 large-scale industrial projects which have direct government investment, including the steel plant in Esfarayen and the diesel motor and turbine production plants. He added: Furthermore, the private sector is playing an increasingly active role in setting up and operating heavy industries projects. Statistics on the number of agreements in principle signed last year indicate that private sector participation in this period was 16 times greater than what it had been in 1368 [21 March 1989-20 March 1990].

New Rules on Precious Metals Import, Export

LD3107095991 Tehran IRNA in English 0917 GMT 31 Jul 91

[Text] Tehran, 31 July, IRNA—The monetary and credit council of the Central Bank of Iran (CBI) has authorized import of standard bars of gold, platinum and silver by real or legal persons.

In a statement Tuesday, the CBI said that under the new measure all Iranian importers are allowed to import standard bullions of silver, gold and platinum within the framework of the import-export regulations.

Meanwhile, the council also announced new regulations for export of gold and silver products.

According to the new regulations export of gold bullions is prohibited. However, gold products can be exported on the condition that the equivalent in gold of the exported products are imported. As for the export of silver products, the equal amount of the value of the exported items must be imported in the form of gold.

According to the new regulations, gold and silver products are those which have an added value of 10 to 20 percent.

However, gold-plated or silver-plated products are exempted from the new regulations.

Pakistan

AFP Cites Press on BCCI Founder Abedi

BK3007121591 Hong Kong AFP in English 1152 GMT 30 Jul 91

[By Masood Shah]

[Text] Karachi, July 30 (AFP)—Agha Hasan Abedi, the Pakistani founder of the Bank of Credit and Commerce International (BCCI), will consult legal experts after his indictment in the United States on fraud charges, sources close to his family said Tuesday.

Pakistani newspapers splashed the news on their front pages, while business leaders privately expressed sympathy for the retired banker, with one magazine calling him the target of "Jewish-controlled circles" in the United States.

Mr. Abedi, 68, who founded BBCI in 1972 but has not participated in its operations since he underwent a heart transplant in 1988, could not be contacted at his Karachi residence for reaction.

But sources close to his family said Mr. Abedi would be consulting legal experts here and abroad about Monday's indictment before deciding whether or not to contest the charges.

A grand jury in New York indicted Mr. Abedi and another Pakistani, Swaleh Naqvi, the BCCI's chief operating officer until October 1990, on charges of creating a multi-billion-dollar scheme to defraud depositors, falsifying bank records to hide money laundering, and larcenies surpassing 30 million dollars.

Sources close to the Abedi family said he had disassociated himself from the bank since it pleaded guilty to drug money laundering charges last year in a Tampa, Florida court.

They said Mr. Abedi, who read about his indictment in newspapers, "does not have full details with him to give his reaction."

He would consult legal experts before deciding his response to the case, they said, adding that his physical condition did not permit him to travel to the United States.

State Bank of Pakistan officials said the indictment in New York would not affect negotiations currently underway between the central bank and the Abu Dhabi-based Bank of Credit and Commerce Emirates (BCCE).

BCCE has formally communicated its intention to take over the BCCI operations at Karachi, Lahore and Islamabad, the officials said.

It also has sent a team from the international auditing firm of Arthur Andersen to check the financial position of BCCI Pakistan before the ruling family of Abu Dhabi takes a final decision on a possible takeover, they said.

Businessmen and bankers in Karachi, Pakistan's business capital, reacted with scepticism to the New York indictment.

BCCI Pakistan officials called it the latest in a series of "unfair and vindictive" actions by Western authorities and media to crush a "Third World bank which dared to intrude into the Western world of big business."

A high official of the Karachi Chamber of Commerce and Industry, who asked not to be named, said that despite the possibility of malpractices, BCCI management, including Mr. Abedi, were being "targeted in a systematic way by the American-led bank regulators in the West."

He added that the business community in Pakistan had no complaints against BCCI and "wished it well."

It was not clear what effect the New York indictment would have on reported plans by Mr. Abedi to launch a new private bank in Pakistan.

A leading Pakistani magazine, NEWSLINE, in a cover story on BCCI, said the bank's rise and fall in the United States was "a chronicle of high drama, intrigue, avarice and vendetta."

"The more successful Abedi became, the more he was perceived as a threat in America's Jewish-controlled financial and media circles," the English-language magazine said.

NEWSLINE published photos of Mr. Abedi with Western leaders, including former U.S. President Jimmy Carter and former British Prime Minister James Callaghan, to show how he was pampered by "friends in high places" in the past.

Quadripartite Afghan Talks Reported

Declaration Made on Talks

BK3007160591 Islamabad Radio Pakistan Network in Urdu 1500 GMT 30 Jul 91

[Text] The quadripartite talks between Pakistan, Iran, and Afghan mujahidin groups based in two countries concluded in Islamabad today. A declaration issued on the talks emphasized efforts for a peaceful solution of the Afghan problem under which Afghanistan's Islamic identity and its independent, nonaligned, and sovereign status are restored. The declaration was issued at a joint news conference in Islamabad this evening addressed by Iranian Foreign Minister Dr. 'Ali Akbar Velayati and Secretary General of Foreign Affairs Mr. Akram Zaki.

The declaration says the Afghan people should have the right to form a government of their choice without any outside pressure, and conditions should be created under which the Afghan refugees can go back to their homes voluntarily in honor and dignity. The quadripartite meeting welcomed the increasing cooperation between Pakistan and Iran for a just and peaceful solution of the Afghan problem in accordance with the Afghan people's aspirations and the objective of the Afghan jehad. Iran and Pakistan agreed to launch joint efforts to secure international support for a just and peaceful solution of the Afghan problem. The meeting also emphasized the special importance of the role of Islamic states in connection with achieving this aim. The meeting stressed the unity of all Islamic and patriotic Afghan nationalities that support the Afghan jehad so that joint efforts are made for establishment of peace and a just solution of the Afghan problem.

The meeting emphasized that a solution to the Afghan problem should be such that the present illegal Kabul regime is changed and an elected Islamic government that is acceptable to the Afghan people is set up in its place.

The leaders of the Afghan mujahidin groups reaffirmed their determination to continue efforts for the establishment of peace and a just solution of the Afghanistan conflict. They also reiterated their commitment that the

life and property of all Afghan citizens must be respected, and that all of them will take part in the construction of their country, which has been destroyed due to the foreign occupation and the Afghan dispute.

Addressing the news conference, the Iranian foreign minister described the quadripartite meeting as an important turning point in the history of the Afghan people's struggle for independence. He added that it is very significant that two main groups of mujahidin in Pakistan and Iran have jointly participated in the talks with the hosts.

The Iranian foreign minister also reaffirmed his country's commitment that the uprising by the people of occupied Kashmir to achieve their right of self-determination will be fully supported. He said the Kashmiris should be given an opportunity to decide their own future. He hoped that a peaceful Kashmir solution will be found in accordance with the aspirations of the people there.

Addressing the news conference, Akram Zaki said the Iranian foreign minister has played a commendable and important role in creating close understanding between mujahidin groups in both countries.

Iranian Foreign Minister 'Ali Akbar Velayati called on Prime Minister Nawaz Sharif in Islamabad this evening. During the meeting, the prime minister expressed happiness at the success of the quadripartite talks and its unanimous adoption of the declaration on resolution of the Afghan problem. He congratulated the representatives of Iran and Pakistan and the Afghan leaders on this significant success. He expressed the hope that further successes will be achieved to pave the way for a just, peaceful, and political resolution of the Afghanistan problem.

Radio Pakistan's diplomatic correspondent reports that Nawaz Sharif and 'Ali Akbar Velayati also discussed bilateral relations during the meeting. Both expressed satisfaction at the existing relations, especially in mutual cooperation in the political and economic fields.

Further Statement on Talks

LD3007183191 Tehran IRNA in English 1604 GMT 30 Jul 91

[Text] Islamabad, July 30, IRNA—The first quadrilateral talks on the Afghan issue involving Iran, Pakistan and the Afghan mojahedin groups based in the two countries, ended here today with the release of a statement hailing "jihad (holy struggle) of the Afghan people against foreign occupation."

At the two day talks, held upon Iran's initiative, Iranian Foreign Minister 'Ali Akbar Velayati and Pakistan's Foreign Ministry Secretary General Akram Zaki, discussed with Afghan groups the solution to the dozen year old conflict.

Mojahedin leaders expressed deep appreciation and gratitude for the support to their struggle and for the "generous hospitality" extended to more than five million Afghan refugees by Iran and Pakistan on their soil.

The meeting emphasized the pursuit of a "just peaceful settlement of the Afghanistan problem that restores the Islamic identity and the independent, sovereign and non-aligned character of Afghanistan."

It reiterated that the Afghan people must be able to choose their own form of government without outside intervention or pressure, and conditions should be created for the voluntary return of refugees to their homes "in safety and honour".

"Such a settlement alone will bring peace to Afghanistan and strengthen security and stability of the entire region, necessary for progress and development of the brotherly peoples of the three countries," added the statement.

The meeting welcomed the growing cooperation between Iran and Pakistan for a settlement of the Afghanistan problem, consistent with the objectives and aspirations of the Afghan people.

The meeting noted with appreciation the efforts of the United Nations secretary general for solution of the Afghanistan problem. While emphasizing the observance of the Islamic principles, the meeting recognized positive elements in the five-point statement by the United Nations secretary general.

"The statement could serve as a possible basis for a settlement for the Afghan issue and should lead to the replacement of the present illegal government in Kabul and the establishment of an elected Islamic government acceptable to the people of Afghanistan," it said.

"In the spirit of the noble jihad and deeply conscious of the great sacrifices rendered by the valiant Afghan people and the immense tragedy and hardship suffered by them," the leaders of the Afghan mojahedin parties reaffirmed that the future Afghanistan would be "an important contributor to regional stability, committed to a policy of mutual friendship with its neighbours."

In addition to the Iran-based Islamic Unity Party (IUP) of Afghanistan led by Hojjat ol-Eslam Mortazavi, prominent Peshawar- based Afghan leaders such as Borhaneddin Rabbani, Seyyed Ahmad Gilani, Mohammad Nabi Mohammadi, Qazi Amin and others attended the talks.

Sharif—Any Attack on Plant 'Tantamount' to War

PM3107111691 London AL-SHARQ AL-AWSAT in Arabic 28 Jul 91 p 3

[Interview with Prime Minister Mian Mohammad Nawaz Sharif by Khalid al-Mu'ina and Khalid al-Nazir in Murree; date not given]

[Excerpts] [AL-SHARQ AL-AWSAT] Your government inherited several internal problems, including law and order, violence, terrorism, and others. What solutions have you proposed to resolve these questions?

[Nawaz Sharif] The law and order problem is not new to Pakistan. Specifically, it has continued in Sind province for decades. As I said, this problem is not a new phenomenon. But it has worsened over the past 8-10 years. [passage omitted]

I believe that the violent and terrorist actions that occur in our country from time to time are the price that Pakistan is paying for its support and backing for those struggling for their legitimate national rights in India, occupied Kashmir, and Afghanistan. But the price that we are paying will not deter us from supporting the crushed and oppressed everywhere.

[AL-SHARQ AL-AWSAT] Is that an admission of your backing for the liberation movement in Kashmir?

[Nawaz Sharif] No. Our position on Kashmir is clear and specific. What I meant was that India always blames Pakistan for whatever happens in East Punjab on the Indian side. [passage omitted]

[AL-SHARQ AL-AWSAT] Would Pakistan agree to open its nuclear reactors to inspection?

[Nawaz Sharif] No, sir. Pakistan will not agree to that, and there is not a single acceptable reason that will make it agree to such a thing. We will not agree to be subjected to a measure that is not applied to others at the same time.

[AL-SHARQ AL-AWSAT] If your nuclear reactor is attacked, would you regard it as an aggression against the whole country?

[Nawaz Sharif] Yes. Of course any attack on the nuclear installations is tantamount to an aggression against the whole country. It is also tantamount to a declaration of war, and we would deal with it from that angle. In such an event Pakistan would have no option but to respond directly, swiftly, and decisively.

[AL-SHARQ AL-AWSAT] Do you expect such an attack to come from Indian territory?

[Nawaz Sharif] I hope that that does not happen, because it would be a disaster for the entire region. We will regard any territory from which an attack on our nuclear installations is launched as directly responsible for the attack, even if it takes no part in it.

[AL-SHARQ AL-AWSAT] There are speculations that Israel may attack your nuclear reactors. Have you taken account of this possibility?

[Nawaz Sharif] There are some concerns about this, but we are alert and aware of all the conspiracies that may be hatched against us. I repeat that any attack on our nuclear installations will be a catastrophe for the entire region. Any state which takes part in such an attack will be regarded as being at war with Pakistan, which will not remain silent but will retaliate twice as hard.

[AL-SHARQ AL-AWSAT] Let us now move from nuclear attack to Afghanistan. What is the new in Pakistan's position on this issue?

[Nawaz Sharif] Pakistan supports a peaceful political settlement of the Afghan problem. I believe now that the ball is in the Soviet Union's and the Afghan Government's court. So they must take the initiative to secure a peaceful political solution. The earlier such a step is taken, the better for all concerned. [passage omitted]

[AL-SHARQ AL-AWSAT] Can Pakistan unilaterally abandon its nuclear program?

[Nawaz Sharif] Actually we have presented such a proposal to India and told it: We are willing to sit down with you at the same table to discuss this matter. To prove the truth of what I am saying, we are now in the process of tackling the chemical weapons issue through bilateral negotiations, and the nuclear weapons issue is no exception. We can tackle it through bilateral negotiations as well.

Proposed Topics for Upcoming ICO Talks Cited

BK3107142691 Islamabad Radio Pakistan Network in Urdu 1400 GMT 31 Jul 91

[Text] Pakistan will submit a number of resolutions, including those on Kashmir, Afghanistan, the strengthening of collective security, solidarity of the Islamic community, and the establishment of a nuclear-free zone in South Asia, at the Islamic Conference Organization [ICO] foreign ministers conference in Istanbul. A Foreign Office spokesman told newsmen in Islamabad today that over 440,000 Indian Army troops and paramilitary forces have killed more than 4,000 innocent civilians in occupied Kashmir during the past year and a half. He added that the situation in occupied Kashmir is deteriorating daily as a result of India's efforts to suppress the struggle being waged by the people of the region to achieve their right of self-determination.

About Foreign Secretary Shaharyar Khan's recent visits to Egypt and Saudi Arabia, the spokesman said that during these visits, matters relating to the Kashmir problem, Indian-Pakistani relations, and the Afghanistan situation were discussed. He also explained the Pakistan prime minister's proposal for an arms reduction in South Asia. The spokesman added that Egypt and Pakistan have agreed to cooperate with each other during the ICO foreign ministers conference.

Secretary General of Ruling Alliance Resigns

BK2907003691 Hong Kong AFP in English 1738 GMT 28 Jul 91

[Text] Karachi, July 28 (AFP)—A prominent ally of Prime Minister Nawaz Sharif said here Sunday he is quitting as secretary general of the ruling Islamic Democratic Alliance (IJI).

Ghafoor Ahmed, announcing the decision at a press conference, cited differences with the government's economic policy and its conduct in parliament.

Mr. Ahmed, who is also deputy chief of the fundamentalist IJI component Jamaat-i-Islami, said his decision would not affect his party's role in the ruling alliance.

He said Mr. Sharif was "deviating" from the IJI charter, which calls for state control over general and defence-related industries. The government was privatizing "sensitive organizations," such as telecommunications, steel mills and the country's water and power development department, he said. "This is not in the national interest," he said.

He described the law and order situation in southern Sindh Province as alarming and said it had resulted in the flight of capital from the province, which is the centre of commerce and industry.

"Agriculture, trade and industries have been badly affected in the interior of Sindh due to rampant banditry, kidnappings for ransom and ethnic tensions," the IJI leader said.

The statement appeared to substantiate claims by the opposition, which has been warning of the dangers of the deteriorating law and order situation in the home province of former premier Benazir Bhutto.

Under a new act, which amends the constitution, the government has given itself powers to set up special courts to punish crimes such as kidnapping, banditry and murder. The opposition said the law would be used to intensify victimization of political opponents.

Mr. Ahmed bitterly criticized the manner in which the constitutional amendment was passed by parliament, while the opposition says the government "bulldozed" the legislation and allowed no debate.

Meanwhile, Ghulam Mustafa Jatoi, former caretaker premier and a prominent IJI figure, joined opposition figures at a lunch meeting in Islamabad, also attended by Ms. Bhutto.

The lunch was hosted by veteran politican Nawabzada Nasrullah Khan, who has been calling for the formation of a national unity government, because of what he calls Mr. Sharif's failure to run the country's affairs.

Ms. Bhutto told reporters after the meeting that there is an urgent need to replace the present government with an interim arrangement for holding fresh and impartial elections.

She said the Sindh and Pakistani part of Kashmir were "slipping out of our hands" due to the "wrong policies" of the IJI government.

Mr. Sharif has said his government was taking comprehensive measures to curb lawlessness and enjoyed the confidence of the nation.

The ethnic Mohajir Qaumi Movement, the dominant political group in Sindh Province, has vowed to resist any move to destabilize the government.

Sri Lanka

1,360 LTTE Members Killed at Elephant Pass

BK3107111091 Colombo Sri Lanka Broadcasting Corporation International Service in English 1045 GMT 31 Jul

[Text] The Operation Balawegaya task forces blasted away through the LTTE [Liberation Tigers of Tamil Eelam] frontline yesterday and captured three strong enemy positions, including an old dutch fort (Brasensala), as they continued their advance beleaguered security forces camp. Official sources told LANKAPUVATH that the latest reports from the battle front states that troops have advanced one km as of yesterday. They said 300 terrorists were reported killed yesterday by the Balawegaya troops while 70 were killed on Monday. A total of 1,360 LTTE cadres have been killed in 20 days of fighting at Elephant Pass. Seventy LTTE terrorists killed in Monday's fighting included two senior military leaders Jevarasa code named Sara and Kugendram.